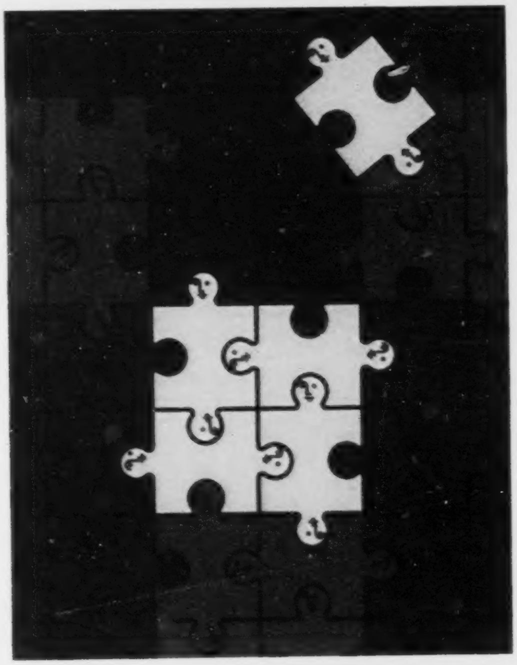
A Partnership for the Future

Putting the Pieces Together in the Manitoba Capital Region



Final Report of the
Regional Planning Advisory Committee 2003

A Partnership for the Future

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of the
Regional Planning Advisory
Committee

October 2003

A Message from the Regional Planning Advisory Committee

Since September 2001, the seven members of the RPAC, women and men from different professional backgrounds, experiences and parts of the Capital Region, have worked together on this Report which is meant to provide policy advice to the Government of Manitoba and serve as the basis for action in the immediate future.

Our public hearings and private meetings have convinced us that the Manitoba Capital Region has great attractions and strengths in all its parts. There is pride, passion, and commitment concerning the Region and its future vitality among all the individuals and organizations that we met. We thank them for their insights on making their individual communities and the Region as a whole, better places to live and work.

This report encourages the leaders to work together within a regional context to decide on the major issues that affect every part of the Region with a view to assuring its harmonious development and thus improving the standard of living of its citizens. The result will be a balanced planning and development approach within the region, the creation of a positive climate for economic growth, preservation of the environment, and enhancement of the assets of the region.

This Report contains numerous recommendations for institutional, procedural and substantive reforms to the planning and growth management efforts of all governments in the Capital Region. However, RPAC wishes to state emphatically in the opening message that none of these reforms will succeed unless there is greater regional awareness and commitment to regional goals. Mutual understanding, respect, and trust among the governments, communities, and citizens who comprise the Region is a crucial requirement for the future economic, social, environmental and even the political health of the Region. We are calling for strength on two levels: municipalities prepared to share ideas and to collaborate with one another, and committed policy leadership and support from the Provincial Government.

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Executive Summary

A partnership for the future

In its final report, the Regional Planning Advisory Committee is calling on the Government of Manitoba and the leaders of the sixteen Manitoba Capital Region municipalities to engage in a conscious exercise in region building. Through this process, the Region's citizens, leadership, resources, and communities can begin to unite around a shared agenda for improving economic vitality, environmental sustainability, and quality of life within the Region. Regionalism in this sense is about more than improved intergovernmental cooperation. It involves creative problem solving and the identification of opportunities by all segments of the regional community: business, labour, non-profits, community-based organizations, research institutes, the Aboriginal community, universities and colleges, and others.

A stronger Manitoba Capital Region will allow Manitoba to:

- compete more effectively
- efficiently address social, environmental, and economic issues that cross municipal boundaries
- make the best use of available funds
- ensure that Capital Region development is sustainable

The RPAC is proposing two broad sets of policy initiatives to further the development of the Capital Region. One set of initiatives would work to strengthen regional ties and cooperation. Section Two of this report outlines these initiatives which include:

- the creation of a Partnership of Manitoba Capital Region Governments
- service sharing
- tax sharing
- joint action on economic development
- improved mechanisms for conflict resolution

The second set of initiatives work toward the establishment of a clearer and more comprehensive planning and land-use policy for the region. Section Three of this report outlines these initiatives, which includes such measures as:

- the adoption of a statement of planning principles
- the issuing of policy planning statements
- streamlining of the planning process
- strengthening provincial land use policies.

Four points must be made at the outset about these initiatives. The first is that they do not contemplate the creation of a new level of government. The second is that they do not contemplate the introduction of any new level of taxation. The third is that they do not involve the amalgamation of existing municipalities—indeed, the RPAC is recommending a five-year moratorium on forced amalgamations. Finally, the provincial government has an important role to play in bringing these communities together and facilitating their joint activities. The long-term aim should be to foster regional partnerships of various kinds and to promote regional consciousness among residents of Manitoba's Capital Region.

An open, consultative, responsive, and accountable process of region building will identify opportunities, encourage cooperation, promote fairness, and build trust and confidence. While there will be short-term benefits from the investment of ideas, time, money, and political goodwill in strengthening regional efforts, the greatest payoffs will be over the longer term. Commitment, patience, and perseverance must be the hallmarks of the regional effort being called for in this report. Elected leaders, administrative officials and the various stakeholders throughout the Capital Region must be prepared to explain the long term benefits of regionalism and to remain committed to a mutually agreed upon game plan for the Region's future. All citizens of Manitoba will benefit if this is the case.

Recommendations

The following recommendations have been compiled from Chapters Five, Six, Seven, Eight, Nine, Fourteen and Fifteen of this report.

The RPAC recommends that:

5.1 The Government of Manitoba declare that, for a five-year period, it will support or approve only voluntary amalgamations or annexations in the Manitoba Capital Region.

5.2 The municipalities that currently comprise the Manitoba Capital Region, that is the Rural Municipalities of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, Rosser, Springfield, St. Andrews, St. Clements, St. François Xavier, Taché, and West St. Paul, the Town of Stonewall, and the Cities of Selkirk and Winnipeg should continue to be members of the Manitoba Capital Region.

6.1 Following consultation with the current Manitoba Capital Region governments, the Government of Manitoba adopt legislation creating a Partnership of Manitoba Capital Region Governments with representation from all Manitoba Capital Region governments, including the Government of Manitoba. The Partnership should be tasked with improving regional cooperation on planning issues. The City of Winnipeg and the Government of Manitoba should each have two representatives on the Partnership, all other Manitoba Capital Region governments should have one representative. The two Government of Manitoba representatives should be members of the provincial cabinet. There should be a six-member executive drawn from the Partnership that has a maximum of two representatives each from the City of Winnipeg and the Government of Manitoba.

7.1 The Partnership of Manitoba Capital Region Governments host a Capital Region Summit that involves the sixteen Manitoba Capital Region governments along with a wide range of institutions and individuals from business, labour, community and Aboriginal organizations, universities and colleges, think tanks and others. The Summit's aim would be to achieve agreement on a shared vision for the future of the Manitoba Capital Region and a cross-sectoral partnership committed to realizing that vision. The Summit should be held within one year of the establishment of the Partnership.

8.1 Consistent with the RPAC's endorsement in principle of service sharing, the Government of Manitoba fund a service-sharing study to examine the collaborative arrangements that now exist in the Capital Region, the nature of the arrangements, their legal status, the financing arrangements, possible provincial incentives and assistance, other possible areas of service sharing, and the perceived obstacles to further regional collaboration. The final report prepared for the committee should be a public document.

8.2 Consistent with the RPAC's endorsement in principle of tax sharing, the Executive Committee of the Partnership of Manitoba Capital Region Governments should carry out a study on the potential uses of tax sharing within the Capital Region. The final report prepared for the committee should be a public document.

9.1 The Partnership of Manitoba Capital Region Governments commission a review of grants-in-lieu of municipal taxes that examines, among other matters:

- the principles and practices of the assessment and taxation of various kinds of government-owned properties serving different public policy purposes
- indexation of fixed, statutory grants-in-lieu to their service requirements
- an analysis of whether host municipalities are on balance favoured or disadvantaged by the presence of tax-exempt properties within their territory.

10.1 The Government of Manitoba establish an Intermunicipal Dispute Resolution Service that is modelled upon the Alberta Intermunicipal Dispute Resolution Service.

14.1 The Government of Manitoba adopt and publicize the following principles for regional planning:

.1 to provide policy leadership, resources, and support to enable the region to realize opportunities for sustainable economic growth and healthy communities
.2 to ensure better integration and coordination of municipal land use planning decisions with related activities of other agencies responsible for water management, transportation, environmental protection, public health, education and safety, etc.
.3 to ensure an overall land use planning and growth management process which promotes sustainable development to ensure that resources and the environment are protected for future generations;
.4 to ensure the most economical, effective, and safe use of local and provincial infrastructure and services
.5 to promote voluntary inter-municipal cooperation and collaboration through devices like regional forums, service sharing, tax sharing, etc.
.6 to deal with 'spillover' effects where municipal land use decisions have impacts that affect neighbouring municipalities, the region, or the province as a whole
.7 to help resolve inter-municipal disputes where these pose a barrier to development or an effective

policy response to problems arising from growth and change

.8 to ensure consistency, predictability, and fairness in municipal decision-making over time and across jurisdictions

.9 to ensure respect for the rights of minorities to involvement, consultation in decision making and to the protection of Treaty obligations where applicable

.10 to strengthen local democracy by providing organizational capacity and information resources to support municipal decision-making

.11 to promote and support open, participatory, fair, responsive, consistent, and accountable decision-making within the regional planning process

14.2 The Government of Manitoba initiate a practice of issuing regular provincial government policy statements on land-use planning and development.

14.3 As its first policy statement on land-use planning and development, the Government of Manitoba issue a future-oriented land-use policy plan for the Manitoba Capital Region.

14.4 The Manitoba Government make the Manitoba Provincial Land Use Policies applicable to Plan Winnipeg.

14.5 The Government of Manitoba eliminate the current *Planning Act* requirement for the Minister of Intergovernmental Affairs to consult with the provincial cabinet on proposed development plans and amendments to existing plans.

14.6 The Government of Manitoba amend *The Planning Act* to require the appropriate approving authority to hold public hearings prior to the approval of subdivisions that involve the creation of a new public road.

14.7 The Government of Manitoba publish guidelines for the time required to complete the Province's review and approval of different types of municipal land-use development proposals. In the event that a time extension is required, the Minister of Intergovernmental Affairs should notify the affected municipality and communicate a new deadline for the completion of the process.

14.8 Those Manitoba Capital Region municipalities that to do not currently belong to a planning district give active and serious consideration to joining existing or new planning districts.

14.9 To improve the operation of the current requirement that major development proposals, such as development plan amendments, be circulated to neighbouring municipalities, each of the sixteen Manitoba Capital Region municipalities name a specific person as an intermunicipal contact. It will be the responsibility of the contact person to bring notification of major development proposals that have been received from other municipalities to the attention of the mayor/reeve and council.

14.10 Manitoba planning policy ensure that all developments be planned to occur in an orderly and efficient manner and take into account the short- and long-range costs of providing public services and infrastructure. To this end, development should normally be contiguous to existing infrastructure. New development should go in areas where infrastructure is most easily extended with appropriate regard to the preservation of prime agricultural land.

14.11 Manitoba planning policy ensure that availability of development sites should bear a reasonable relationship to the market demand. On a municipal and regional basis the number of vacant lots ready for development should reflect forecasts of demand.

14.12 Manitoba planning policy ensure that land be designated for specific major types of uses in development plans. These land-use designations should bear a reasonable relationship to demand within the context of a medium- to long-range planning horizon. Regionally significant developments should be specifically designated in a development plan.

14.13 Manitoba planning policy ensure that developers of commercial and residential sites normally be required to pay for the direct costs associated with the development. The public should not have to cover any service or infrastructure costs directly associated with such development. Exceptions to developers covering all costs might be in cases where in-fill or upgrading in older neighbourhoods is thought appropriate.

14.14 Manitoba planning policy ensure that municipal, planning district, and provincial government planning authorities emphasize pedestrian and bicycle access in their planning. In order to assist in environmentally-sound planning and the promotion of healthier populations, bicycle and pedestrian paths should be identified in all Manitoba Capital Region major developments.

14.15 Manitoba planning policy ensure that municipal, planning district, and provincial government authorities encourage, where practicable, the retention and rehabilitation of heritage and older building stock. New incentive programs, tax incentives, mixed-use zoning, the removal of disincentives, and other measures should be taken to encourage the rehabilitation and reuse of older neighbourhoods and buildings.

14.16 Manitoba planning policy ensure that when a large area is designated for residential, commercial, or industrial use, the adoption of more detailed secondary or sector plans be undertaken. Such secondary level planning would allow for more detailed specification of community features that also reflect the overall development plan for the municipality.

14.17 In its review of the Provincial Land Use Policies, the Government of Manitoba identify those areas where mandatory wording (such as "shall be consistent") ought to be used rather than more permissive wording (such as "should consider") in the preparation and review of development plans.

14.18 Due to the enormous public investment in the infrastructure of existing settlement/urban centres, Manitoba planning policy preclude the formation or evolution of new settlement/urban centres in the Manitoba Capital Region.

14.19 Manitoba planning policy generally limit the types of uses appropriate to rural areas to the following:

- resource-related uses—in the Manitoba Capital Region this would primarily be farming and some aggregate extraction
- natural and open areas and parks
- large lot or rural residential uses when appropriately planned and when in accordance with the other related policy directions
- commercial and industrial develop-

ments that:
  - are intended primarily to serve the travelling public
  - are intended primarily to serve the farm community
  - may cause significant nuisances or hazards in urban settings
- appropriately planned cottage areas
- appropriately planned recreational uses requiring large spaces
- public infrastructure, works, utilities and transportation corridors and facilities

14.20 Manitoba planning policy ensure that large lot or rural residential development be intended to cater to a rural lifestyle and as such, lots within them should not be so small as to lose their rural characteristics or to compete with urban-sized lots in settlement centers and urban centres such as Oak Bluff, Lorette, St. Adolphe, Oakbank, Selkirk, or Winnipeg. They should also, by their quantity, proximity to each other, or size, not lead to the evolution of new settlement/urban centres in the Manitoba Capital Region.

14.21 To avoid the evolution of new settlement/urban centres, Manitoba planning policy should ensure that high- or medium-density residential development, commercial/retail services, institutional services, or major indoor recreational facilities are not generally located in, or a part of, large lot or rural residential developments.

14.22 Manitoba planning policy should ensure that large lot or rural residential development complement nearby settlement/urban centres. Such development should generally not occur within the fringe of a settlement center or urban centre so that a settlement/urban centre's orderly growth is not impeded.

14.23 Manitoba planning policy should ensure that residential lots outside of settlement/urban centres are large enough to maintain the area's rural character. Such lots should not be of such a size as to compete directly with urban-sized lots.

14.24 Manitoba planning policy ensure that land, building, and resource uses that can lead to the pollution of groundwater not be permitted, unless the risks are first calculated and mitigation measures are planned and implemented.

14.25 Manitoba planning policy ensure that land and resource uses do not lead to the depletion of the groundwater resource.

14.26 Manitoba planning policy encourage the establishment, enhancement and maintenance of riparian buffers. In particular, the planting and maintenance of native species in these zones should be encouraged.

14.27 Riparian management throughout the Capital Region should be improved both to complement other measures that protect water quality and to enhance the stability, biodiversity, and aesthetic appeal of the Capital Region waterways.

14.28 Manitoba planning policy ensure that land subject to serious flooding and which is not flood protected by publicly-owned flood protection works be left in its natural state or developed only for low-intensity uses such as crop production, grazing, forestry, wildlife habitat or used for open space recreational purposes. Some lands subject to less serious flooding may be developed if mitigating flood protection measures are provided.

14.29 Manitoba planning policy ensure that all structures in floodprone areas be designed and constructed to be functional under flood conditions.

14.30 Manitoba planning policy ensure that rural housing developments be directed to areas that do not have significant drainage issues in order to save public costs in building, upgrading, and maintaining drainage systems.

14.31 Manitoba planning policy should discourage development or activities that would accelerate shoreland erosion or contribute to bank instability along creeks, rivers, and lakes.

14.32 Manitoba planning policy ensure that drainage improvements are undertaken in way that does not unnecessarily increase downstream flooding and respects natural flora and fauna and useful biological processes.

14.33 The Government of Manitoba commission a study to examine the measures needed to reduce the rate of conversion of agricultural land to non-agricultural purposes. Upon the completion of this study, the Government of Manitoba should issue a provincial policy statement on agricultural land in the Manitoba Capital Region.

14.34 Manitoba planning policy ensure that agriculture remain an important part of the Manitoba Capital Region. It should be encouraged and, where reasonable, be protected from encroachment by incompatible uses. Areas already primarily dominated by agricultural uses should generally be preserved for that use in the future.

14.35 Manitoba planning policy ensure that when it is considered appropriate to develop on prime agricultural land, such uses should not be wasteful of land.

14.36 Manitoba planning policy ensure that new subdivisions and the buildings within them be so arranged that residual land is capable of use for agricultural purposes if some future situation warrants.

14.37 Manitoba planning policy ensure that the following 'urban-like' uses be directed to settlement/urban centres:

- small lot (urban-sized) medium to high density residential development
- schools, hospitals and other institutional developments
- indoor recreational facilities
- office buildings
- commercial and industrial developments, except for those that:
    - are intended primarily to serve the travelling public
    - are intended primarily to serve the farm community
    - and/or may cause significant nuisances or hazards in urban settings

14.38 Manitoba planning policy ensure that development in urban centres should take place in the following order:

- rehabilitation and revitalization of existing building stock and existing built-up areas
- in-fill of existing vacant lands within existing developments
- new developments within the existing piped serviced areas
- new developments in the areas most efficiently serviced
- new residential development adjacent to existing development

14.39 Due to the significant public infrastructure investment already in place, as well as the social and historical significance of downtowns, Manitoba planning policy discourage developments that would significantly detract or weaken downtowns.

14.40 The renewal and revitalization of the inner city of Winnipeg should be a priority of Manitoba planning policy. New land uses viewed as leading to the further deterioration of the inner city should be discouraged.

14.41 In urban centres, Manitoba planning policy direct most commercial facilities, public offices, institutional facilities, intensive indoor recreational facilities, and like uses, to the downtowns of those centres.

14.42 In order to help revitalize the downtown cores of urban centres, Manitoba planning policy should encourage the location of residential development in and near their downtowns. In association with this recommended policy direction, governments should be encouraged to adopt live-near-your-work, mixed-use, downtown-first, and 'liveable-communities' policies.

14.43 Manitoba planning policy should encourage the development of 'main street' areas in Winnipeg neighbourhoods with a variety of existing shops and services since these developments enhance the 'mixed use' or 'liveable communities' concept in Winnipeg.

14.44 Manitoba planning policy should increase public access to the downtown of Winnipeg and Selkirk by encouraging improved public transit (in Winnipeg), and planned linkages of the street system, public walkways, green spaces/corridors, bicycle/walking paths, and waterfronts.

14.45 As a part of 'liveable-communities' and 'live-near-your-work' policies, Manitoba planning policy should encourage new residential developments in Winnipeg to include commercial and compatible light industrial development.

14.46 Manitoba planning policy should discourage the establishment of new regional shopping centres or large format commercial developments beyond established commercial areas. Such major commercial developments should be directed to the downtowns or to existing commercial areas in the Manitoba Capital Region.

14.47 Manitoba planning policy should encourage the locating of developments in the City of Winnipeg such as major industrial, commercial, or residential development in areas that are accessible by existing transit routes.

14.48 Manitoba planning policy should ensure that the potential number of urban residential lots available in settlement centres and urban centres bears a reasonable relationship to demand. The municipal and regional supply and demand of urban residential lots in the Manitoba Capital Region as a whole should be taken into account when designating lands and reviewing subdivision applications at both the municipal and provincial levels of approval.

14.49 The Government of Manitoba review, update and adopt the Model National Energy Code for Buildings and apply it to all new construction or major renovations of existing provincial facilities.

14.50 The Government of Manitoba lead by example and adopt LEED™ Silver (Leadership in Energy and Environmental Design) building certification standards in the construction and major renovation of its own facilities and its crown corporations.

14.51 The Government of Manitoba give preference to capital projects which demonstrate LEED™ Silver building certification standards to ensure more stringent environmental regulations for increased sustainability of new and existing buildings.

14.52 The Government of Manitoba ensure that provincial building codes take into account accessibility and universal design principles.

14.53 Municipal, planning district and provincial government authorities encourage designs in planning which are energy efficient and those that can assist in lessening harmful emissions which may accelerate climate change.

14.54 Governments should continue to implement programs with the intent of further encouraging developers to re-use, re-develop, and build new residential and commercial development in Winnipeg's inner city and the older areas of Selkirk.

14.55 The Government of Manitoba expand soil testing to ensure more accurate, appropriate, and sustainable fertilizer application to meet the needs of gardens, crops, etc., in both rural and urban settings.

14.56 The Government of Manitoba amend its sewage and septic field regulations to require mandatory testing, and proper maintenance of such systems. Furthermore, provision should be made for the regular inspection of the sewage and septic systems.

14.57 The Government of Manitoba establish a detailed Geographic Information System for the Manitoba Capital Region to facilitate land-use planning.

14.58 The Government of Manitoba should amend *The Environment Act* to ensure that those developments for which licensing is required are evaluated according to effects assessment guidelines.

14.59 The Government of Manitoba publish a status report on the progress of the implementation of the recommendations of the Consultation on Sustainable Development Implementation. The report should describe how COSDI has been integrated into policy, regulations, finances, and decision-making.

14.60 That the Government of Manitoba prepare a provincial policy statement dealing with sustainable development in the Manitoba Capital Region. Such a statement should be based upon the COSDI approach and would become a frame of reference for the work of district planning boards, municipalities, and conservation districts, while helping to ensure that provincial strategies, such as those responsible for soil and water, take the particular needs of the Manitoba Capital Region into account.

15.1 Within two years of the release of this report, the Minister of Intergovernmental Affairs, on behalf of the Government of Manitoba and in consultation with the Manitoba Capital Region municipalities, should prepare a status report on the actions taken to that point to implement the recommendations presented in this document.

Section One

The Regional Planning Advisory Committee and the Manitoba Capital Region

In September 2001 the Government of Manitoba appointed a Regional Planning Advisory Committee (RPAC) to undertake public consultation, assist in stimulating public discussion, and provide advice to the Minister of Intergovernmental Affairs on regional planning policies for Manitoba's Capital Region.

Section One of this report is an introduction to the Regional Planning Advisory Committee, the Manitoba Capital Region, and the potential that regional planning provides. Chapter One outlines the RPAC mandate. Chapter Two describes the RPAC process. Chapter Three provides a snapshot of the Capital Region. Chapter Four is a description of the potential benefits of positive regionalism.

Chapter One

The Regional Planning Advisory Committee: Background and Mandate

The Regional Planning Advisory Committee (RPAC) has reached the unanimous conclusion that regional perspectives and regional collaboration within Manitoba's Capital Region need to be strengthened. There have been positive trends and developments within the Region, and considerable previous attention to this need, but the pace at which region-wide cooperation and thinking is advancing must quicken. Given that the Capital Region contains 64 per cent of the provincial population and Winnipeg represents 64 per cent of the provincial economy, the economic, social, environmental and political strength of the sixteen Capital Region communities and their governments matters to all Manitobans (Census Canada, 2001 Census; Conference Board of Canada, Statistics Canada, as quoted in "A choice between investing in Canada's cities or disinvesting in Canada's future", *TD Economics Special Report*, April 22, 2002. p. 5). Moreover, there are lessons from the RPAC's examination of the dynamics and developments within the Capital Region that have potential application throughout the province. For these reasons, the provincial government and the sixteen Capital Region municipalities* should engage in an act of region building.

Through this process, the Region's citizens, leadership, resources, and communities can begin to unite around a shared agenda for improving economic vitality, environmental sustainability, and quality of life within the Region. Regionalism in this sense is about more than improved intergovernmental cooperation. It involves creative problem solving and the identification of opportunities by all segments of the regional community: business, labour, non-profits, community-based organizations, research institutes, universities and colleges, and others.

To achieve these goals, the RPAC is recommending two complementary sets of policy initiatives that will serve to stimulate regional development in Manitoba.

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* In Manitoba, municipality is a term used to describe a local government. In the Manitoba Capital Region there are three types of municipalities: cities, towns, and rural municipalities.

Building a Strong Manitoba Capital Region

The first set of policy initiatives takes the form of recommendations that focus on fostering regional thinking and cooperation between the sixteen Manitoba Capital Region municipalities. They are discussed in detail in Section Two of this report. The RPAC believes that a regional vision and purpose will develop when regional players engage in joint activities to reach common goals. The building blocks of a cooperative regionalism include:

- the creation of a Partnership of Manitoba Capital Region Governments
- service sharing
- tax sharing
- joint action on sustainable economic development
- conflict resolution

Three points must be made at the outset about these initiatives. The first is that they do not contemplate the creation of a new level of government. The second is that they do not contemplate the introduction of any new level of taxation. Finally, the provincial government has an important role to play in bringing these communities together and facilitating their joint activities. The long-term aim should be to foster regional partnerships of various kinds and to promote regional consciousness among residents of Manitoba's Capital Region.

Creating a framework for regional development

The second set of policy recommendations works toward the establishment of a clear and comprehensive planning and land-use policy for the Region. They are discussed in Section Three of this report and involve such measures as:

- the adoption of a statement of planning principles
- the use of policy planning statements
- streamlining the planning process
- strengthening Provincial Land Use Policies

All of the recommendations in this report work towards the fostering of a strong regional consciousness and the establishment of an effective regional planning framework. Before outlining these proposals it is useful to place the Regional Planning Advisory Committee's work in context.

THE CREATION OF THE RPAC

In September 2001 the Government of Manitoba appointed the Regional Planning Advisory Committee to undertake public consultation, assist in stimulating public discussion, and provide advice to the Minister of Intergovernmental Affairs on regional planning policies for Manitoba's Capital Region. The terms of reference for the Committee mandate it to:

- undertake community consultations in order to gain public and stakeholder input on potential planning policies which better address the growth management issues facing the Capital Region
- prepare a report that will be considered by the Province in the development of a Policy Plan for the Capital Region.

The Regional Planning Advisory Committee members are:

- Paul Thomas: Chair: the Duff Roblin Professor of Government at the University of Manitoba
- R.S. "Bud" Oliver: former Mayor of the City of Selkirk, chair of the Red River Basin Commission
- Robert (Bob) Stefaniuk: Mayor of the Rural Municipality of Ritchot
- Lillian Thomas: Deputy Mayor of the City of Winnipeg
- Nick Carter: Deputy Minister of Natural Resources with the Government of Manitoba from 1979 to 1987
- Cathy Auld: Director of Donor Relations and Corporate Secretary with the Winnipeg Foundation
- Eleanor Thompson: Founder/Director of the Urban Circle Training Centre

THE CAPITAL REGION

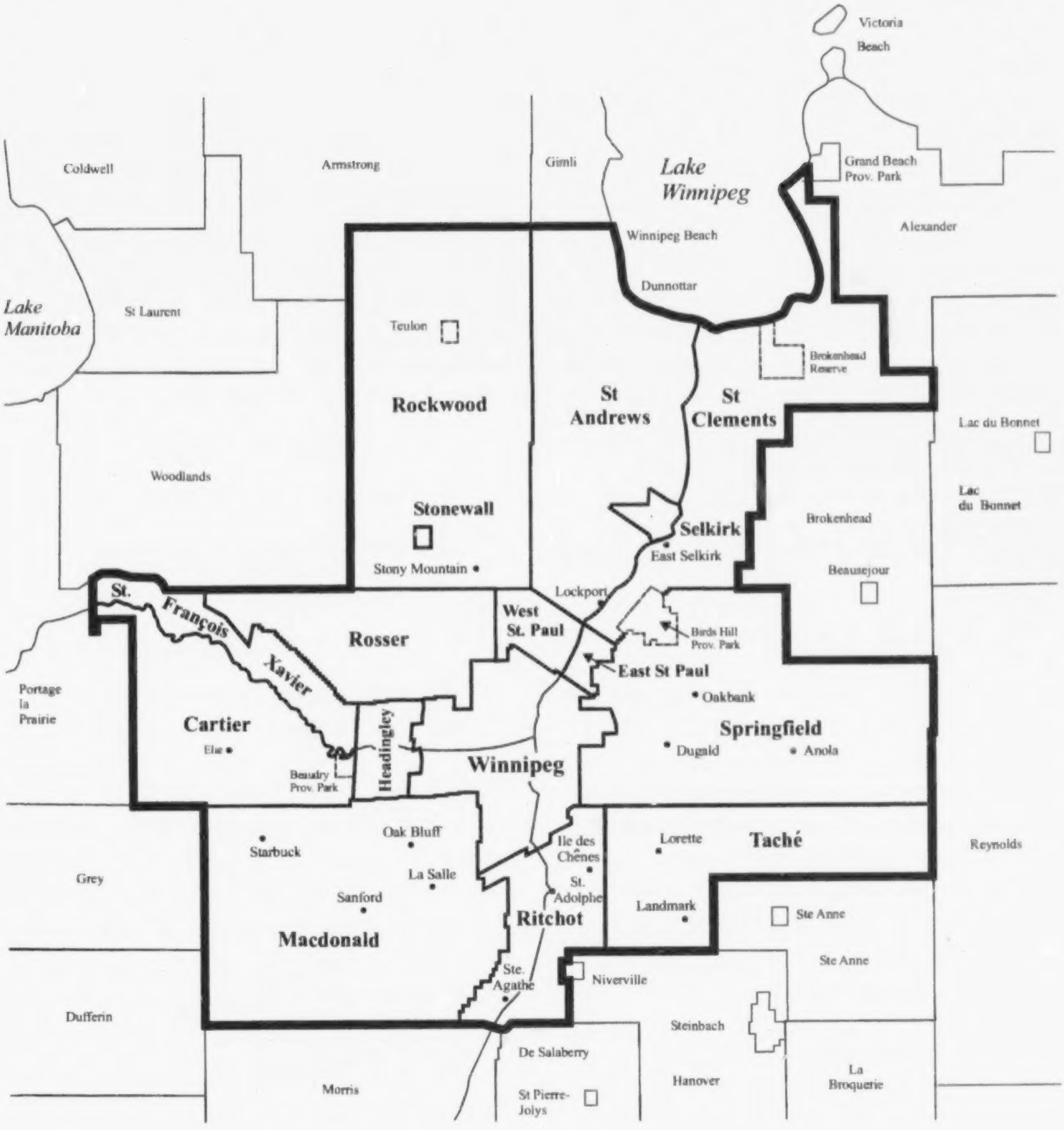
The Capital Region is the designation used to describe Manitoba's capital city and the fifteen other municipalities in the Winnipeg region. In 1989 the Government of Manitoba established an intergovernmental committee called the Capital Region Committee, which included the mayors and reeves of the Capital Region municipalities and the Ministers of Rural Development, Urban Affairs (now the minister of Intergovernmental Affairs) and Environment (now Conservation).

The Capital Region is not an autonomous political jurisdiction nor does the Capital Region Committee constitute a fourth level of government. It is not a legal entity and has no administrative responsibilities or capabilities. The Capital Region is a territory designated through the political and administrative processes of the Government of Manitoba for the purpose of creating a regional planning framework for the City of Winnipeg and the fifteen surrounding municipalities. The provincial government is responsible for bringing the Capital Region into existence and has the ultimate authority to make decisions on composition, overall direction, and specific decisions on planning and development within the Region. To a great extent, this authority is delegated to and/or shared with the sixteen municipalities that comprise the Region.

There are two cities, one town, and thirteen rural municipalities (RMs) in the Capital Region (See Map 1.1). They are:

- the Rural Municipality of Cartier
- the Rural Municipality of East St. Paul
- the Rural Municipality of Headingley
- the Rural Municipality of Macdonald
- the Rural Municipality of Ritchot
- the Rural Municipality of Rosser
- the City of Selkirk
- the Rural Municipality of Springfield
- the Rural Municipality of St. Andrews
- the Rural Municipality of St. Clements
- the Rural Municipality of St. François Xavier
- the Town of Stonewall
- the Rural Municipality of Taché
- the Rural Municipality of West St. Paul
- the City of Winnipeg

Geographically, the Capital Region is quite small, covering approximately 1.2 per cent of the land base of Manitoba. However, it plays an extremely important role in the socioeconomic life of the province. The Capital


Victoria
Beach
Coldwell
Armstrong
Gimli
Lake
Winnipeg
Grand Beach
Prov. Park
Alexander
Winnipeg Beach
Dunnottar
Lake
Manitoba
St Laurent
Teulon
Brokenhead
Reserve
Rockwood
St
Andrews
St
Clements
Lac du Bonnet
Woodlands
Stonewall
Lac
du Bonnet
Selkirk
Brokenhead
East Selkirk
Stony Mountain
Beausejour
Lockport
St.
François
Xavier
West
St. Paul
Rosser
Birds Hill
Prov. Park
East St Paul
Portage
la
Prairie
Oakbank
Cartier
Headingley
Springfield
Elie
Dugald
Anola
Beaudry
Prov. Park
Winnipeg
Oak Bluff
Ile des
Chênes
Lorette
Taché
Reynolds
Starbuck
Grey
La Salle
St.
Adolphe
Sanford
Landmark
Ste Anne
Ritchot
Macdonald
Ste Anne
Ste.
Agathe
Niverville
Dufferin
Steinbach
De Salaberry
Hanover
La
Broquerie
Morris
St Pierre-
Jolys

Map 1.1 Current Manitoba Capital Region Boundaries

Region is home to almost two-thirds of Manitoba's population and accounts for over two-thirds of the provincial gross domestic product. This significant concentration of people and industry should not obscure the important fact that the Capital Region is not solely an urban region. Much of the richest and most productive farmland in the province lies within the Region, as do numerous quite distinct rural communities. The Capital Region is not simply a city and surrounding suburbs.

However, economic, social, and environmental issues do not respect boundaries. Not only do decisions made in one municipality have important implications for the entire Region, cooperation between municipalities has the potential to reduce costs, improve services, enhance growth, and protect the environment.

PLANNING AND THE CAPITAL REGION: SOME BACKGROUND

Since the Capital Region was first designated in 1989, the Government of Manitoba has undertaken a number of regional studies. As a part of the development of the Provincial Sustainable Development Strategy, in 1996 the Government of Manitoba worked with the sixteen municipalities of the Capital Region, the Manitoba Round Table on Environment and the Economy, and the public and adopted a Capital Region Strategy.

In 1998, on the recommendation of the Capital Region Committee, the Government of Manitoba appointed a Capital Region Review Panel. The Panel's 1999 report concluded that the existing regional framework for achieving orderly sustainable development and cost effective service delivery was not entirely effective. Shortcomings were identified in the protection of resources, utilization of infrastructure, service sharing, dispute resolution, accounting, research, marketing, cost sharing, and planning. In some cases, the Panel concluded, "there simply is no 'Regional' structure in place." (*Capital Region Review*, 1999, p. 48) The Panel recommended that the Government of Manitoba pass legislation to enable the municipalities of the Capital Region (and other Manitoba municipalities) to establish a Regional Association. This recommendation reflected the Panel's view that "primary responsibility for advancement of Regional thinking is best left to the voluntary initiative of the municipal governments within the Region." (*Capital Region Review*, 1999, p. 74)

In January 2001, the Government of Manitoba released *Planning Manitoba's Capital Region: Next Steps*, its response to the 1999 Panel report. While it concurred with many of the panel's findings, the Government of Manitoba took the position that voluntary municipal initiatives were "only one part of the solution. Also key will be forging strong and stable partnerships among governments, while also instituting an effective policy and decision-making process." (*Next Steps*, 2001, p. 4) At that time the Province asserted its responsibility for land management, municipal government, resources, and the environment and announced a Capital Region planning framework to address land use and growth management in the Capital Region. The government framework included a commitment to:

- lead in the development of a regional policy plan
- appoint a Regional Planning Advisory Committee
- dedicate a regional planner and professional planning staff to deal specifically with the Capital Region

- diligently apply the Provincial Land Use Policies and begin a review process to enhance the policies and extend their application province-wide
- undertake a review of the statutes governing planning in Manitoba with a view towards modernizing and streamlining legislation
- develop and maintain common databases containing information on a wide range of topics related to the Capital Region
- give priority to maximizing the use of existing infrastructure before approving developments that require new infrastructure
- work with the municipalities in the Capital Region towards the development of the mutually beneficial tax-sharing models
- use the existing Capital Region boundaries in initiating the regional planning process
- work through consultation with municipalities and the Regional Planning Advisory Committee, to develop strategies to resolve inter-municipal disputes

CAPITAL REGION PLANNING

As its name suggests and its mandate makes explicit, the Regional Planning Advisory Committee has been tasked with providing advice on the development of a Capital Region Policy Plan. Before outlining the Committee's approach to regional planning, it is useful to describe briefly the current planning process in Manitoba. (The planning process is described in greater detail in Chapter Eleven.)

All sixteen municipalities in the Capital Region have adopted development plans that set out medium to long-term development goals and policies. Along with accompanying zoning and building by-laws, these plans serve as the rules for land development in each municipality. These plans are jointly adopted by each municipal council (or planning district board in the case of municipalities that belong to planning districts) and the Government of Manitoba. There is a legislative requirement for plans to be reviewed every five years.

The City of Winnipeg Charter provides the legislative authority for planning within the City of Winnipeg. *The Planning Act* provides the legislative authority for planning in all other Manitoba municipalities.

Municipalities can join together to establish planning districts to develop uniform planning policies. In the Capital Region there are three such planning districts:

- The Selkirk and District Planning Area (comprised of Selkirk, St. Andrews, St. Clements, and West St. Paul)
- The South Interlake Planning District (comprised of Stonewall, Teulon, Rockwood, and Rosser)
- The Macdonald-Ritchot Planning District (comprised of Macdonald and Ritchot)

With the exception of Winnipeg's development plan (known as Plan Winnipeg), all development plans are required to conform to the Government of Manitoba's Provincial Land Use Policies Regulation (PLUPs) that are adopted under *The Planning Act*. In practice, Plan Winnipeg is evaluated for conformity to the PLUPs. First adopted in the 1980s, the PLUPs were revised in 1994 to incorporate the Province's Sustainable Development Principles and Guidelines. The Government of Manitoba is committed to reviewing these policies, applying them diligently, and extending them to apply to the entire province.

In its *Next Steps* document, the provincial government provided this explanation of how the proposed Capital Region Policy Plan would fit into the existing framework.

> The policies developed by the Province will address growth in the entire region and are expected to be more detailed than the current Provincial Land Use Policies. In effect, they will become a strategic regional policy plan providing policy guidance for the more detailed municipal or planning district development plans. (*Next Steps*, p. 7)

The province's stated long-term goal is to have Capital Region municipal and planning district development plans brought into conformity with the province's Capital Region Policy Plan.

As Chapter Two demonstrates, the Regional Planning Advisory Committee has fulfilled its mandate to consult with the public and stimulate debate on Capital Region planning issues. This report represents the RPAC's contribution to the development of a Capital Region Policy Plan.

Chapter Two

The Consultation Process

Following its appointment in 2001, the Regional Planning Advisory Committee (RPAC) undertook an seven-step process in seeking public and stakeholder input and the preparation of this, its final report.

1) MET WITH CAPITAL REGION MUNICIPAL COUNCILS

Starting in October 2001, the RPAC met with fifteen of the sixteen Capital Region municipal councils, the Council of Cartier having declined the RPAC's invitation to meet with the Committee. (For a list of the RPAC consultations and the people who presented at these meetings see Appendix One). The purpose of these initial meetings was to acquaint the councillors with the role of the RPAC, establish a dialogue, and develop a mutual understanding of the key issues and positions. The RPAC asked the councillors to set the agendas; as a result their thoughts and ideas guided the discussion. At the request of the City of Steinbach Council, which is currently not a part of the Capital Region, the RPAC also met with the Steinbach Council.

2) DEVELOPED A DRAFT SET OF PRINCIPLES FOR PUBLIC DEBATE

Early in its proceedings the RPAC developed the following set of principles to guide its deliberations. Throughout the planning process the RPAC invited comment on these principles, as well as other planning-related issues.

1. Municipal Role in Planning

Municipalities should continue to have primary responsibility for day-to-day land use planning and decision-making for their local communities, within provincially approved parameters and the regional context.

2. No New Level of Government

A positive economic and social climate in the Capital Region can be achieved without the creation of another level of government. The problems in the Capital Region are not of such a magnitude as to require major restructuring of governments or the establishment of major new institutions to deal with them—and there appears to no support for such action among most municipalities or the provincial government.

3. Regional Planning is a Provincial Role

Municipal councils are elected to represent their local communities; it is not their direct responsibility, nor are they expected to address concerns outside their jurisdictions. Therefore, in the absence of a regional authority, the government of Manitoba is the only level of government that has a clear mandate to address regional issues. Given that the Capital Region represents over 60 per cent of the Province's population and economy, it is appropriate that the provincial government, representing all Manitobans, pay continuing attention to development in the Region and provide leadership to enable the Region to realize opportunities and to deal effectively with its challenges.

4. Regional Planning Based On Clear Principles and Law

Any necessary policy direction and control of the development processes in the Capital Region should be based upon broad public interests that are clearly expressed in provincial law, land use policies and regulations. This legal framework must be flexible enough to accommodate the diversity among the municipalities in the Capital Region. Provincial policies and actions should be based upon clearly stated principles and criteria, and they should be public and consistent.

5. Public Consultation and Co-operation

Within the context of law, planning processes in the Capital Region should be open, accessible, participatory, inclusive, responsive and collaborative. In particular, thorough public consultation should be fundamental in any planning exercise. Consultation with stakeholders and appropriate Aboriginal communities is also to be encouraged.

6. Provincial Role in Planning

The role of the provincial government in planning and development processes should include the following:

a) to provide policy leadership and support to enable the Region to realize opportunities for sustainable economic growth and healthy communities;

b) to ensure better integration and coordination of municipal land-use planning decisions with related activities such as water management, transportation, environmental protection, public health and safety, etc.;

c) to deal with 'spillover' effects where municipal land use decisions have impacts that affect neighbouring municipalities, the Region or the Province as a whole;

d) to help resolve intermunicipal disputes where these pose a barrier to development of an effective policy response to problems arising from growth and change;

e) to ensure some measure of consistency, predictability and fairness in municipal decision-making over time and across jurisdictions, particularly with respect to the rights of minorities;

f) to strengthen local democracy by providing organizational capacity and information resources to support municipal decision-making;

g) to ensure regionally and provincially significant resources are wisely used and protected where necessary, including the use of the land base, soils and minerals, flora and fauna, water and air; and

h) to ensure the most economical, effective and safe use of local and provincial infrastructure and services through planned growth.

7. Sustainable Development & Enhanced Public Input

Sustainable development must be promoted. An improved overall land use planning process that balances social, environmental and economic considerations should take place to ensure that the land base, other resources and the environment are protected for future generations.

8. Timely Planning Decisions

The planning process at all levels should be efficient and expeditious to avoid undue costs and delays that lead to the loss of benefits for local communities, the Region and the Province. Provincial government concerns and directions should be expressed as early in the planning process as possible.

9. Province to Encourage Co-operation

The provincial government should consider new incentives and remove any existing disincentives, to promote voluntary intermunicipal collaboration and co-operation within the Capital Region.

10. Information Sharing, Dialogue and Shared Vision

The provincial government should provide policy leadership by creating forums and opportunities for sharing information and conducting meaningful dialogue. It should undertake the systematic collection of common data. The provincial government should also promote the emergence of a shared vision for the Capital Region that can provide a sense of unity and direction for all stakeholders, including citizens, governments, business, and voluntary and non-government organizations.

3) PUBLISHED DISCUSSION PAPER

In April 2002 the RPAC prepared and distributed *Strengthening Manitoba's Capital Region, General Principles and Policy Directions*, a public discussion paper. The discussion paper outlined principles and policy options and directions for the Region. In addition, it contained basic information about area, population, governance, historical development, revenues, farming, and previous studies. Background information on the Capital Region, discussion papers, public opinion poll results, maps, and reports on public meetings have been posted on the Government of Manitoba's Capital Region webpage (www.gov.mb.ca/capitalregion. All other websites cited in this report are given in full in Appendix Eight). Some are also available in print format.

4. HELD PUBLIC MEETINGS

Six public meetings were held throughout the Capital Region in May and June 2002 to discuss the issues raised in *Strengthening Manitoba's Capital Region* and other Capital Region issues that members of the public wished to address. Approximately 340 people attended these meetings, at which 60 formal presentations were made to the Review Committee. (See Appendix Two for a list of presenters and Appendix Three for a summary of the views brought to the RPAC's attention.)

The public consultations

The public hearings and consultations that the RPAC conducted have played an important role in shaping this report. As might be expected in such a large and divergent region, people presented a range of different and differing views. Through the presentations the following issues were identified:

- A concern about the balance of control over planning between the provincial government and the municipalities
- Rejection of a new level of government
- The need for a participatory planning process
- Support for a mechanism to improve communication within the Region
- Interest in service sharing, tempered with concern over accountability
- The need for regional approaches to development
- The need to establish a secure long-term water supply for the Region
- The need for improved rural drainage
- Concern over the treatment of the watershed
- Concern over development on flood plains and the impact of flood protection measures on the entire Region
- Debate over the extent, causes and implications of low-density urban development (often called urban sprawl)
- Concern for the nature of the relationship between Winnipeg and the fifteen other municipalities in the Capital Region

5. ORGANIZED STAKEHOLDER MEETINGS

Three stakeholder meetings were organized throughout 2002. Two meetings were held with participants who were invited because of their knowledge of land use planning and associated fields; the third was a series of meetings with provincial government representatives who implement policies directly related to land use in the Capital Region. At these sessions Manitoba Departments of Conservation, Transportation and Government Services, Agriculture and Food, Industry, Trade and Mines, Culture, Heritage and Tourism, and Intergovernmental Affairs staff made presentations about planning policy for the Capital Region. (For a listing of invitees and participants, see Appendix Four.)

In addition, the RPAC met with senior staff from the City of Winnipeg and representatives from the Manitoba Municipal Board and the Winnipeg Real Estate Board. Brian Peddigrew, a Director with Alberta Municipal Affairs provided a first-hand account of the Alberta Capital Region's formation and structure.

6. SURVEYED RESIDENTS' VIEWS

The RPAC commissioned Probe Research, Inc. to survey Capital Region residents in June 2002. The results of this poll of 693 Capital Region residents were posted on the Capital Region website. The following points summarize the main survey findings.

- One half of residents surveyed (49 per cent) feel that the Government of Manitoba should not take steps to curb urban sprawl if it means restricting the choices that residents have about where to live in the Capital Region, while 36 per cent said the province should take action to curb sprawl.
- The two major disadvantages to living in the Capital Region outside of Winnipeg while working in Winnipeg or making use of city services were the length of the commute and the cost of travel.

Strong support was expressed for the following propositions:

- Winnipeg's economic and social well-being is important to the entire province and government decisions about regional land use should be strongly influenced by this. (32 per cent agreed completely.)

- Some services like water and sewer and some emergency services should be extended to communities around the city of Winnipeg if this would achieve more efficient service delivery. (34 per cent agreed completely.)
- Municipalities including Winnipeg should have a greater say than the provincial government in local land development decisions. (28 per cent agreed completely.)

Somewhat less support was shown for the following propositions:

- Objection to land development for new houses or industry if it means losing farmland in the area around Winnipeg (23 per cent agreed completely.)
- Requiring residents from outside Winnipeg who use the City's recreational services to pay more for them than people living in Winnipeg do. (23 per cent agreed completely.)

Limited support was expressed for the following proposition:

- Paying more in taxes to support the construction of roads and sewers for a city that is more spread out. (13 per cent agreed completely.)

In addition, members of the public made representations as individuals or groups through the website, e-mail, and by letter.

7. PROVIDED CAPITAL REGION GOVERNMENTS WITH THE OPPORTUNITY TO COMMENT ON A DRAFT OF THE FINAL REPORT

In March 2003, the RPAC provided the Minister of Intergovernmental Affairs and the Mayors and Reeves of the Capital Region municipalities with a preliminary draft of the Committee's final report, allowing for further regional input.

CONCLUSION

Overall, the above activities have provided the RPAC with the benefit of the views of a wide group of Capital Region residents—municipal councillors, experts, researchers, and specialists in commerce, government, and academia. The people with whom the Committee consulted provided thoughtful, articulate, and valuable input.

Throughout its deliberations and in preparing this report, the RPAC was assisted by the staff of the provincial department of Intergovernmental Affairs.

The Committee members wish to express thanks for the help that has been extended to them. The RPAC has endeavored to use the information presented to it, available research, and its collective judgement to prepare this report.

Chapter Three

A snapshot of the Manitoba Capital Region

The Regional Planning Advisory Committee (RPAC) is not a commission of inquiry. Its role is to build on the base provided by previous studies, to stimulate discussion, and provide advice on regional planning in Manitoba's Capital Region. A variety of government reports and consultations have highlighted concerns over issues such as:

- growth patterns
- water supply, quality and use
- climate change
- flood protection
- efficient use of infrastructure
- the need for a regional perspective on planning
- agricultural land, livestock operations and soil protection
- decline of the central part of Winnipeg

These are all real and important issues and are addressed in the body of this report.

The purpose of this chapter is to provide the reader with both a brief snap shot of the characteristics of the Region, a number of key issues, and a summary of the attitudes of municipal politicians and members of the public on these issues.

GEOGRAPHY

The Capital Region straddles parts of two natural regions of Manitoba: Tall Grass Prairie west of the Red River, and Aspen/Oak Parklands to the east and north, a transitional zone between the former and the Manitoba Lowlands. Over the major portion of the Region, the limestone bedrock has been thickly plastered and levelled by clay deposited in the former Lake Agassiz, while to the east of the Red River, sand, clay, gravel, and till were deposited as glaciers retreated, forming the basis for a wide variety of soil types. Natural drainage is poor. The productivity of prime soils from the bottom clays, for example, is made possible only by an intricate web of constructed drains. Excess water is removed from both within and outside the Region to Lakes Winnipeg and Manitoba by the Red and Assiniboine Rivers. The valleys of these slow, turgid rivers and the vegetation that borders their channels, provide some gentle variety to the landscape.

SIZE

The Capital Region covers 7,532 square kilometres or 1.2 per cent of Manitoba's land base. Geographically, the two largest municipalities are Rockwood (1,154 square kilometres) and Macdonald (1,106 square kilometres). The two smallest are Stonewall (6 square kilometres) and Selkirk (25 square kilometres).

In terms of geographic space, the City of Winnipeg is the eighth largest municipality in the Region, covering 464 square kilometres.

GROWTH IN POPULATION

Rates of growth and patterns of population growth are two of the most pressing issues facing the Manitoba Capital Region. It is useful to establish a number of important facts at the outset.

- Manitoba's population is growing at a very slow rate. From 1996 to 2001, Manitoba's total population grew by 5,685 people. This was a 0.5 per cent increase or a 0.1 per cent annual growth rate.
- Most of Manitoba's growth took place within the Capital Region. From 1996 to 2001 the population of the Capital Region increased by 5,450 people. This was an increase of 0.8 per cent or an annual growth rate of 0.16 per cent. Outside of the Capital Region, population increased by only 235 people. This means that during this five-year period 96 per cent of Manitoba's total population growth occurred in the Capital Region.
- Compared with other Canadian urban centres Winnipeg is growing at a slow rate. Of the 17 largest metropolitan regions in Canada, Winnipeg has had the slowest growth over the last five years.
- Over the period 1991 to 2001, Winnipeg experienced a decline in its rate of growth. From 1991 to 1996, the Winnipeg grew at a rate of 0.53 per cent. From 1996 to 2001, the rate was 0.17 per cent.
- The rate of population growth in the Capital Region municipalities outside of Winnipeg has also declined, falling from 10.4 per cent in 1991 to 5 per cent in 2001.
- Most of the population growth in the Capital Region is taking place outside of Winnipeg. For the 1996 to 2001 period, 80 per cent of Capital Region growth took place outside of Winnipeg. During this period, Winnipeg's per centage of the total population of the Capital Region declined by about 0.6 per cent to about 87.1 per cent.
- From 1996 to 2001, 60 per cent of Capital Region population growth was concentrated in five rural municipalities: East St. Paul, (+1240), St. Clements (+600), St. Andrews (+550), Springfield (+440), and Macdonald (+420)
- 42 per cent of Capital Region population growth from 1996 to 2001 was concentrated in one rural municipality, East St. Paul (+1,240), and one city, Winnipeg (+1,065).
- From 1996-2001 six municipalities either lost population or experienced minimal growth: Ritchot (-405), Selkirk (-130), St. François Xavier (30), Rosser (65), Cartier (110), and Rockwood (150).
- Despite its slow growth rate and high growth rates in some other municipalities, Winnipeg remains by far the most populous municipality in the Region, with 619,544 people (87 per cent of the Capital Region population) in 2001.

- There is significant variance in the population of the other Capital Region municipalities. The three largest are Springfield (12,600), St. Andrews (10,700), and Selkirk (9,750). The two municipalities with the lowest populations are Rosser (1,410) and St. François Xavier (1,025).

From 1991-2001 Capital Region municipalities outside of Winnipeg grew by 10,560 (approximately at a rate of 1.3 per cent a year.) Over the same period of time the City of Winnipeg grew by 4,330 (approximately a rate of .07 per cent a year) (Census Canada, 2001 Census).

These facts do not speak for themselves. They say different things to different people, and raise a number of important questions that will be addressed in this report:

- What are the appropriate long-term development strategies for a region that is experiencing slow growth?
- What are the similarities and differences in the growth patterns of Capital Region municipalities?
- Is Capital Region growth outside the City of Winnipeg taking place at the expense of the City of Winnipeg?
- Does overall public policy create subsidies that encourage undesirable development patterns?

A national comparison

According to the 2001 census, 51 per cent of Canadians lived in four regions (commonly known as the Big Four): the Golden Horseshoe around Toronto, Montreal and its regional communities, Vancouver and BC's Lower Mainland, and the Calgary-Edmonton corridor. Since the 1996 census, these four regions grew faster than the country as a whole, with a jump in population of 7.6 per cent, compared to only 0.5 per cent for the rest of the country. As magnets for people, investment, jobs and services, the big four are becoming the dominant centers of economic, technological, cultural and political power in Canada. For the 1996-2001 period Manitoba's Capital Region grew by only 0.6 per cent.

AGRICULTURE

Settled communities were established in the Red River Valley because of the high quality of its agricultural land. Today, commercial crops are raised on about 1.18 million acres (476,865 hectares) in the Capital Region. The 3,000 farms within the Capital Region operate on about 10 per cent of the total farmland in Manitoba. The following facts underscore the importance of this economic sector for the Region and the province:

- A significant portion of Manitoba's agricultural output comes from the Capital Region. About $300 million, or 15 per cent of provincial agricultural production takes place in the Capital Region.
- About $87.4 million in livestock was produced in the Capital Region in 2001, about 7.6 per cent of the Manitoba total.
- Capital Region farms are, on average, smaller than farms in other Manitoba regions. The average farm size in the Capital Region is about 520 acres (210 hectares) compared to an average farm size of 785 acres (317 hectares) for all of Manitoba.
- The average land value of farmland in the Capital Region is about $916 per acre ($2263 per hectare) compared to a provincial average of $444 per acre ($1097 per hectare)

- The Rural Municipality of Springfield has the most farms in the Region, with 500, while the Rural Municipality of East St. Paul has the fewest with 30 farms.
- There are 110 active farms in the city of Winnipeg, more than each of East St. Paul, West St. Paul, St. François Xavier, and Headingley.
- About 65 per cent of the Capital Region is considered Prime Agricultural land (Canada Land Inventory Class 2 and 3) (Manitoba Agriculture and Food)

These facts serve as a reminder that in any debate on where further residential growth should take place, it is necessary to take into consideration not only concerns over local autonomy, freedom of choice, urban sprawl and efficient use of infrastructure. Consideration must also be given to the implications of removing agricultural land from that use, the impact that residential development can have on rural drainage systems, and the potential conflicts that can arise between agricultural operations and residential communities.

REGIONAL COOPERATION

There are important examples of regional cooperation at work in the Manitoba Capital Region. The Capital Region Committee brings the governmental leaders of the Capital Region municipalities together with provincial cabinet ministers on a regular basis. Beyond this, there are a number of examples of institutional cooperation and service sharing, such as:

- An agreement between the Macdonald and Winnipeg to allow Macdonald access to the Brady Landfill.
- There are three Planning Districts that involve ten of the Region's sixteen municipalities.
- Rockwood, Rosser, Teulon and Stonewall share a regional library.
- Stonewall and Rockwood have a fire service agreement and an agreement for their sewage lagoon.

Shared services involve some form of cost sharing, including, potentially, tax sharing. While there are intermunicipal tax sharing arrangements in other parts of the province, currently there are no such arrangements in the Capital Region.

Other Canadian regions, such as Edmonton and Calgary, are ahead of Manitoba's Capital Region in developing regional partnerships comprised of governments and other sectors of society designed to enable their regions to be more competitive in the new global economy.

FINANCIAL CIRCUMSTANCES

Generalizations about financial circumstances are risky because the sixteen Capital Region governments differ significantly in terms of their fiscal capacity (ability to raise revenues), their expenditure obligations, and their current financial condition. However, it can be said that:

- All municipalities faced budgetary challenges during the 1990s because of difficult economic conditions, the limits of main revenue source (property taxes), restraints in financial transfers from the provincial and federal governments and pressures for continued or new service provision.
- Capital expenditures for new infrastructure projects and the maintenance of the existing infrastructure were difficult to finance, especially as resistance to higher taxation of all kinds grew.
- There were significant limits to the potential financial capability of the provincial

government since Manitoba is a relatively small, less affluent province compared to some other provinces. However, the Government of Manitoba introduced new programs in the 1990s such as lotteries (VLTs), Rural Economic Development Initiative (REDI), the Urban Development Initiative (UDI), Canada-Manitoba Infrastructure programs, Provincial-Municipal Tax Sharing (PMTS) increases, Winnipeg Development Agreement, two Core Area Initiatives, Neighbourhoods Alive!, expanded Water Services Board programs, and an expansion of the Conservation Districts program.

WATER ISSUES

The Capital Region centres on the confluence of the Red and Assiniboine Rivers. It extends north to the shorelines of the south basin of Lake Winnipeg including the area around Grand Beach. The Region also includes parts of the Seine, La Salle, Brokenhead, Morris, Rat and Marsh rivers and the Sturgeon, Cooks, Netley, Wavey, Omand's, Devil's and Joubert Creeks. In addition, there are number of wetlands, the most prominent being Oak Hammock and Netley marshes. All these systems drain into Lake Winnipeg and there have been recurring concerns about the quality and safety of lake water.

Drinking water

Capital Region municipalities draw their drinking water from a variety of sources. The City of Winnipeg brings water from Shoal Lake in eastern Manitoba and northwestern Ontario through an aqueduct system. Other communities draw groundwater from aquifers, while many rural residents take their water from private wells. The issue of drinking water quality is linked to sewage treatment and potential sources of water contamination. Because the clay soils of the Red River Valley are not well suited for traditional septic fields, there have been a number of cases of well contamination and septic field failure. In recent years, boil water orders placed have been placed on a number of municipalities.

Much of the aquifer west of the Red River and south of the Assiniboine River contains saline water. Due to the depletion of aquifers, the boundary between the salt and freshwater has been moving east, rendering the water from an increasing number of wells undrinkable.

REGIONAL ASSOCIATIONS

The two major forums for Capital Region cooperation are the Capital Region Committee and the Mayors and Reeves of the Capital Region. In addition, the Association of Rural Municipalities (Winnipeg Region) is comprised of those municipalities that border on the City of Winnipeg. These organizations and their roles are discussed in Chapter Six.

CONCLUSION

Manitoba's Capital Region faces a number of serious social, economic, and environmental challenges, but it is not a region in crisis or even approaching a crisis. The talents and abilities exist to meet these challenges and to seize the opportunities of the future. From the tenor of the RPAC meetings and discussions there seems to be a consensus that the Region must cope with both slow growth and the environmental and economic consequences of the sorts of growth-related decisions that have been made in the past. The Region must attract more investment and immigration, while stewarding its resources and infrastructure. None of this is impossible—much is already being done to meet these challenges.

However, there is a need for a coordinated cooperative region-wide approach to these issues. This will require a regional vision, one that can only emerge as the sixteen Capital Region municipalities undertake a series of common projects. At the same time there needs to be a coherent provincial planning policy that applies to the entire Capital Region that can provide a clear framework within which the region can continue to develop. The next chapter outlines the RPAC's overall proposals for the next steps in the development of the Manitoba Capital Region.

Chapter Four

Region building

The Regional Planning Advisory Committee (RPAC) is calling on the Government of Manitoba and the leaders of the sixteen Capital Region municipalities to engage in a conscious exercise in region building. It is proposing initiatives that strengthen regional ties and create a clear, comprehensive, and consistent land-use policy for the region.

A number of the presentations to the RPAC raised the concern that regional planning and the adoption of integrated approaches to service delivery would undermine local democracy and municipal autonomy. Fears were expressed about the creation of another tier of government, a special purpose authority or provincial takeover of some traditional municipal responsibilities. Others spoke of the need for unity and coherence to ensure that development is efficient and resources are protected. These concerns are not unique to Manitoba; they are part and parcel of the international debate over the nature of regionalism. One suspects that these tensions are not likely to be eliminated in the short-run. The solution is to find a consensus on a balance, which may change over time.

In its efforts to find that balance the RPAC has been guided by two important principles.

1) Municipalities must retain primary responsibility for development planning at the local level.

This principle recognizes the important role of municipalities working together on a voluntary, consensual and gradual basis to engage in collaborative, regional activities. It respects the tradition of local democracy and local planning, and recognizes the diversity among the sixteen communities in terms of their current conditions and future aspirations.

Recent experience suggests that municipalities are capable of joint action in the best interest of their communities when sufficient mutual understanding, trust, and commitment exist. Joint undertakings are more effective and enduring when they are entered into willingly by participants as opposed to being imposed from above.

2) The provincial government should set forth a regional policy plan and periodic policy statements that create the context for the planning activities of municipalities.

This principle recognizes the provincial government's policy leadership, direction setting, and control responsibilities. Elected by all Manitobans and possessing legal authority over municipalities, the Government of Manitoba has both a right and a duty to ensure regional progress. Given the central importance of the Capital Region in terms of population, economic activity, social and cultural life, and environmental concerns, no provincial government, regardless of the political party in office, can be indifferent to the issues facing the Region, both now and in the future.

Exclusive reliance upon a spontaneous, voluntary, consensus-based, and gradual approach to regional decision-making would not be sufficiently timely, bold, comprehensive, coherent, and far-sighted to meet the challenges the Capital Region faces. Given their different sizes, economic strengths, financial capacities, and organizational capabilities, the sixteen municipalities are not equal in their ability to promote and protect their individual interests. Also, at times, conflict between two or more municipalities can become an obstacle to regional progress. For all these reasons, the Government of Manitoba must demonstrate sustained interest, involvement, and commitment to the progress of the Region.

Despite its undoubted legal right to do so, the provincial government should not dictate detailed terms and conditions of development to municipalities. Instead, the government should issue a regional policy plan, periodic policy statements, and more detailed Provincial Land Use Policies. In the past, provincial governments have been unclear in their policy intentions and inconsistent in the enforcement of policy statements. A sound provincial policy approach should be principled, anticipatory, timely, open, consultative, consistent, committed, and accountable. In the RPAC's view, the Government of Manitoba should exercise its prerogatives on the basis of advance consultation with the affected municipalities and within the Partnership of Manitoba Capital Region Governments that is being proposed in Chapter Six.

WHY ENGAGE IN REGION BUILDING?

There are at least four important reasons for the Government of Manitoba and the sixteen Capital Region municipalities to make a conscious effort to create a strong and coherent Capital Region.

1) Issues cross regional boundaries

Whether it is land-use planning, environmental protection, economic development, or transportation, many of the issues faced by governments spill over existing jurisdictional boundaries. This argument has been well developed in a variety of studies of the Manitoba Capital Region and is covered in Chapter Seven of this report.

2) The changing economy

New telecommunications and information processing technologies have contributed to the emergence of a global economy. Governments have reinforced the process of globalization through the adoption of liberalized trade policies and new international rules of economic life. National governments no longer exercise the same degree of control within their own borders over the main levers of economic and political life as they did in the past. Financing, investment, trade, employment, and corporate decision-making have become more international in scope. In Canada's case, the North American Free Trade Agreement (NAFTA) has increased integration with the economy of the United States and placed legal and political limits on the actions of governments. Dealing with the impacts of globalization and free trade has fallen increasingly on provincial and municipalities. As national borders and national governments become relatively less powerful, regional locations become the focal point for a "new economy" that is knowledge- and information-based, technology intensive, and globally oriented.

These developments have led to the emergence of a school of thought known as the New Regionalism. New Regionalists argue that city regions, metropolitan regions, region states, or city states have become the fundamental building blocks of the new economy. City regions are portrayed as gateways linking local economies to the national and international economic processes. Successful regions are comprised of intricate and dynamic networks of linked and complementary industries and other institutions. When deciding to locate or to expand a facility, businesses are said to examine a region's assets—its infrastructure and transportation, its workforce, its educational and cultural institutions, its environment, its recreational opportunities, its industry networks, and its social health and cohesion. In response, governments at all levels, must think and act regionally. Within the limits to government action, localities within regions must work together and with their communities to improve their economic prospects, while retaining accessible and responsive municipalities. (See Chapter Seven for a fuller discussion of these approaches to regionalism.)

3) The financial circumstance of governments within Manitoba's Capital Region.

To make the most efficient and effective use of scarce tax dollars, Capital Region governments must look for projects involving functional consolidation and collaboration that will enable them to provide better services at lower cost. This is particularly important with respect to capital investments in sewer, water, solid waste management, recreation, and transportation, where financial help from the provincial and sometimes the federal government is involved. Manitobans cannot afford the luxury of duplication or under utilization in these high-cost services. These circumstances also place service sharing and tax sharing high on the regional agenda for active and serious consideration.

4) Environmental sustainability.

In recent decades, it has become increasingly recognized that squandering our natural resources and damaging the environment is neither sound economics nor good business. Resource and environmental concerns cut across municipal boundaries, across the jurisdictions of the different orders of government, and across departments and agencies within particular governments. Like most provincial governments, the Government of Manitoba has developed programs and regulations on environmental protection and sustainable development. It passed *The Sustainable Development*

Act, created a Round Table on Sustainable Development, and in June 1999 the Consultation on Sustainable Development Implementation Core Group issued its report. Finally, the preamble to the Provincial Land Use Policies sets forth principles of sustainable development which are meant, along with other considerations, to guide municipalities in the preparation of their development plans.

In recent years terms such as "sustainable cities" and "healthy cities" have emerged in debates over regional planning. These terms reflect the view that the appropriate focus for environmental planning, strategies and standards should be the entire, interdependent regional complex rather than the individual units therein. There is a need for distinctive policies that are attuned to the varying conditions and the environmental potential of different parts of city regions. These policies should also be complementary and mutually reinforcing, which means that a balance between local and regional decision-making must be found.

In summary, the nature of public policy problems, the need to promote an economically competitive region, the requirement to stretch limited tax dollars and the concern about damage to the environment, are all powerful reasons why the important actors within the Manitoba Capital Region should strive to create a more dynamic and creative regional partnership. There are existing activities, discussed elsewhere in this report, where valuable steps towards positive regional approaches have been taken. However, all governments must be more imaginative and energetic in pursing a regional agenda.

BUILDING TRUST

Many groups and individuals who spoke to the RPAC expressed their concerns that a new level of government was being proposed for the Capital Region or that existing municipalities would be merged against their will. The RPAC is not recommending such measures. Given the rich tradition of local government and the strong identification of people with their local communities, attempting to force consolidations would provoke deep conflicts and would not necessarily promote long-term solutions to the new challenges faced by all governments.

CONCLUSION

There will be resistance to regional thinking and regional approaches. The present levels of regional consciousness and mutual trust are not what they should be. An effective region requires that all the governments have a shared understanding and commitment to a vision and a set of principles that will guide their behavior in interacting with one another and with non-governmental organizations. Based upon a general sense of direction and a shared commitment, governments can work together to address issues through specific, practical projects of collaboration on a regional basis. Of course, there will be conflicts and disagreements but as much as possible these should be channeled in a positive direction. The Region needs to move forward modestly, seeking "win-win" results in which all the governments and their communities experience a net gain from the benefits created at the regional level. Funding regional initiatives must be the responsibility of all governments on a basis that recognizes the differences in their financial capacity. In particular, we believe that the provincial government must provide financial support to encourage regional initiatives because, without some incentives, regional actions are not likely to spring forth as quickly or widely as is necessary.

Creative leadership will be required for regional success. Not all such leadership can and should come from governments. There are advantages for governments and their communities in pursuing a regional partnership approach, which involves a number of sectors within the economy and society. An open, consultative, responsive, and accountable process of region building will identify opportunities, encourage cooperation, promote fairness and build trust and confidence.

While there will be short-term benefits from the investment of ideas, time, money, and political goodwill in stronger regional efforts, the greatest payoffs will be over the long term. Commitment, patience, and perseverance must be the hallmarks of the regional effort being called for in this report. Elected leaders, administrative officials and the various stakeholders throughout the Capital Region must be prepared to explain the long-term benefits of regionalism and to remain committed to a mutually agreed upon game plan for the Region's future. All citizens of Manitoba will benefit if this is the case.

Section Two

Building a strong Manitoba Capital Region

The Regional Planning Advisory Committee is calling on the Government of Manitoba and the leaders of the sixteen local governments in the Capital Region to engage in a conscious exercise in region building. This section of the report outlines the opportunities that such co-operation can create and the barriers that could prevent the development of a strong Manitoba Capital Region.

Chapter Five outlines the RPAC's views on the appropriate Manitoba Capital Region boundaries. Chapter Six proposes the creation of a Partnership of Manitoba Capital Region Governments. Chapter Seven makes the case for regional action on economic development and proposes a Manitoba Capital Region Forum. Chapter Eight outlines the issues surrounding the expansion of service and tax sharing within the Manitoba Capital Region. Chapter Nine explores provincial-municipal financial arrangements. Chapter Ten outlines a proposed method for improving the resolution of conflict between Capital Region municipalities.

The recommendations made in these chapters are designed to increase mutual understanding, decrease the frequency of conflicts within the Capital Region, and promote the practical regionalism required to ensure a positive future for the Region.

Chapter Five

Getting the boundaries right

An important element in any initiative to create a co-operative, regional approach to development and planning issues in the Manitoba Capital Region is to get the boundaries right. Indeed, in its terms of reference the RPAC was explicitly asked to consider the overall boundaries of the Capital Region. The RPAC has done so, and while it recognizes that strong arguments can be made for a larger Capital Region, it is recommending that there be no change in the current membership of the Capital Region.

Through the course of the RPAC's hearings and meetings it became apparent that many rural municipal councillors were concerned that the City of Winnipeg might seek to annex all or a portion of one or more of the municipalities in closest proximity to the City. Such an apprehension stands in the way of the development of regional co-operation. To allay these concerns, the Government of Manitoba should declare a five-year moratorium on any annexations or amalgamations within the Capital Region. This would create a breathing space in which regional consciousness and collaboration could grow without the fear of potential annexations or consolidations.

HISTORY OF THE CAPITAL REGION BOUNDARIES

In 1989, the Government of Manitoba formed a Capital Region Committee of elected officials, which consisted of the mayors and reeves of thirteen municipalities along with the provincial Ministers of Urban Affairs, Rural Development and the Environment. The initial members of the Region were: the City of Winnipeg and the Rural Municipalities of Springfield, Taché, Ritchot, Macdonald, Cartier, St. François Xavier, Rosser, West St. Paul and East St. Paul, Rockwood, St. Andrews, and St. Clements. Later, the Town of Stonewall and the City of Selkirk asked to join, and in 1992, when the new Rural Municipality of Headingley was created, it too was added to the group, bringing the Capital Region to a total of sixteen municipalities. The Region's boundaries have not changed since then.

Prior to 1991, the City of Winnipeg had planning authority over the Additional Zone, a territory immediately outside the City of Winnipeg. Both the citizens and the municipal councils that had been included in the Additional Zone found this territorial extension of the City of Winnipeg's planning authority to be an irritant, and the provincial government eventually abolished the City of Winnipeg's Additional Zone authority. Several times during the RPAC's hearings, presenters sought assurances that the RPAC would not recommend the establishment of some new form of Additional Zone arrangement. It is the RPAC's view that the City of Winnipeg and the other municipalities within the Region should and can deal with regional issues on the basis of foresight, mutual self-interest, and collaboration. Therefore the RPAC is not recommending a return to the concept of an Additional Zone.

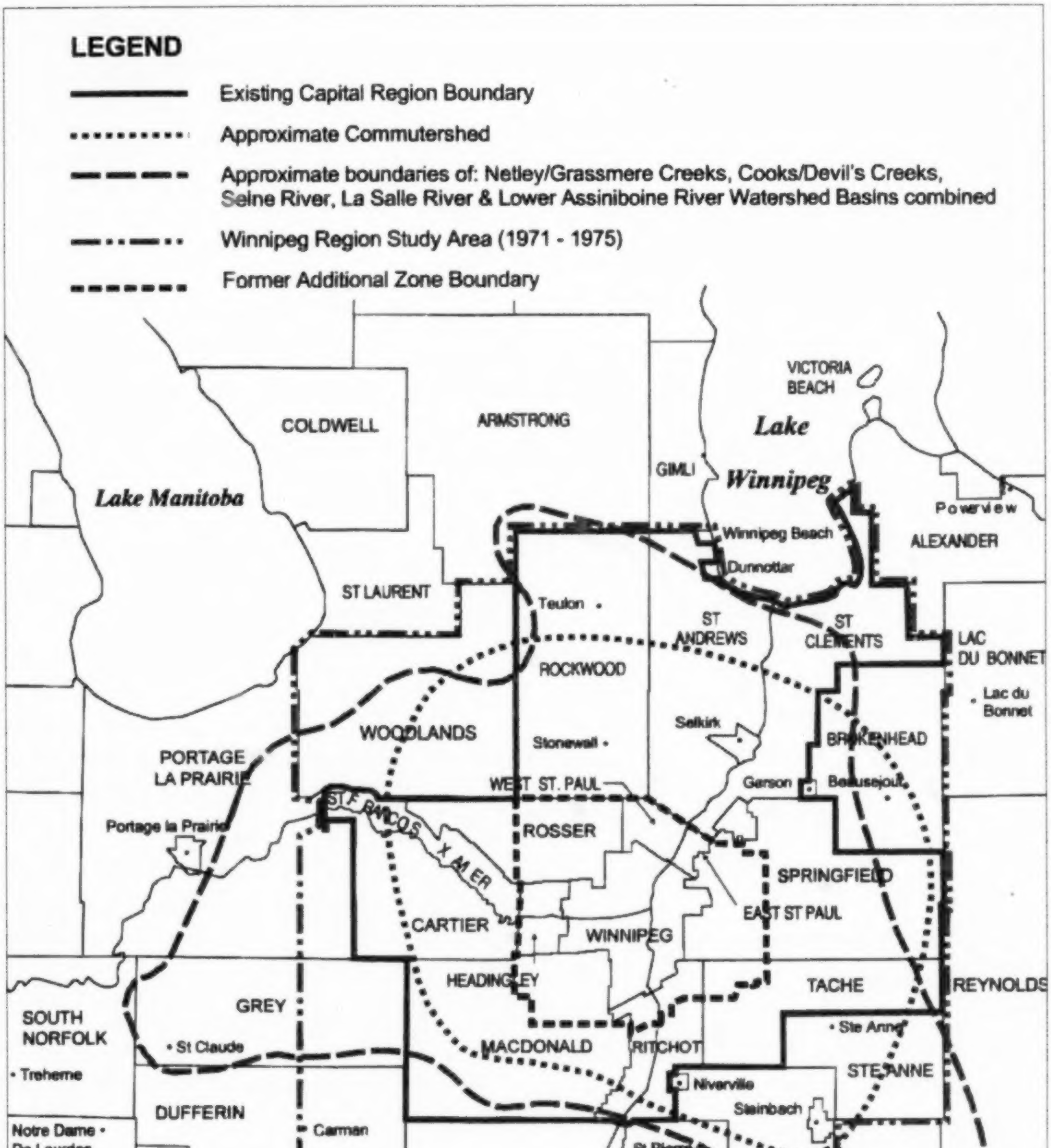
There exist a number of different bases on which the Capital Region boundaries could be defined. In its deliberations, the RPAC considered the following factors:

- geographical proximity, physical characteristics and community of interest
- commuting and dominant transportation patterns from/to a population centre
- economic markets, clusters of related industries, suppliers, service providers and customers, and linkages among communities
- existing and expected land use and related developments
- existing and expected patterns of human settlement, migration and employment
- cultural and historical ties
- the need for coordinated municipal and provincial programs and services, in fields such as environment, education, health, agriculture, transportation
- patterns of communication and interaction among individuals and organizations
- the use of infrastructure, recreational facilities, and cultural amenities, and the confidence that these regional assets will be maintained
- patterns of government and private spending
- the need to ensure effective governance (i.e. direction setting) for the region, financial sustainability and accountability;
- the perception of local communities and their leaders that they are part of a definable region and their willingness to act on a regional basis for some limited, but significant purposes
- peoples' access to and familiarity with the neighbouring communities that are not the location for their primary residence and/or place of employment

The following brief descriptions illustrate how different regional configurations emerge from applying these different criteria. (See Map 5.1)

Commutershed: Following the commutershed of Winnipeg, and adjusting for municipal boundaries would increase the size of the Capital Region to about 24 municipalities from the current sixteen. This would add the Rural Municipalities of Woodlands to the northwest, Brokenhead to the northeast, and Ste. Anne and Hanover to the southeast. The City of Steinbach and the Towns of Beausejour, Ste. Anne, and Niverville are also within the Winnipeg commutershed.

Municipalities Surrounded by The Current Capital Region: Adding some municipalities because they are completely or mostly surrounded by municipalities that are already within the existing Capital Region would mean the inclusion of the Town of Teulon, the


LEGEND
Existing Capital Region Boundary
Approximate Commutershed
Approximate boundaries of: Netley/Grassmere Creeks, Cooks/Devil's Creeks, Seine River, La Salle River & Lower Assiniboine River Watershed Basins combined
Winnipeg Region Study Area (1971 - 1975)
Former Additional Zone Boundary
VICTORIA BEACH
Lake Winnipeg
COLDWELL
ARMSTRONG
GIMLI
Lake Manitoba
Powerview
Winnipeg Beach
ALEXANDER
Dunnottar
ST LAURENT
Teulon
ST ANDREWS
ST CLEMENTS
LAC DU BONNET
ROCKWOOD
Lac du Bonnet
WOODLANDS
Selkirk
PORTAGE LA PRAIRIE
Stonewall
BROKENHEAD
WEST ST. PAUL
Garson
Beausejour
Portage la Prairie
ST FRANCOS XAVIER
ROSSER
SPRINGFIELD
EAST ST PAUL
CARTIER
WINNIPEG
HEADINGLEY
TACHE
REYNOLDS
SOUTH NORFOLK
GREY
Ste Anne
St Claude
MACDONALD
RITCHOT
STE ANNE
Treherne
Niverville
Steinbach
DUFFERIN
Notre Dame De Lourdes
Carman
St Pierre Jolys
HANOVER
LA BROQUERIE
Somerset
THOMPSON
ROLAND
MORRIS
Morris
DE SALABERRY
PINEY
Manitou
Morden

MAP 5.1 POTENTIAL CAPITAL REGION BOUNDARIES

Village of Dunnotar, the Rural Municipality of Brokenhead, the Town of Beausejour, and the Town of Niverville. This would add five municipalities to increase the Capital Region to 21 municipalities.

Combining Commutershed With Municipalities Surrounded by Current Capital Region: This would increase the Capital Region to 29 municipalities.

Watersheds/Basins: In 1999 the Consultation on Sustainable Development Implementation (COSDI) Report recommended wide area planning for sustainable development purposes based upon the broad natural resource areas of the province, and used watersheds and as an example of a potential wide area. A Capital Region based on the approximate boundaries of the Netley/Grassmere Creeks, Cooks/Devil Creeks, Seine River, and Lower Assiniboine Watershed basins combined, would include all or parts of about 35 municipalities (adding parts of the Rural Municipalities of Reynolds, Piney, La Broquerie, De Salaberry, Grey, Portage la Prairie, and Armstrong).

Combining Commutershed with Watersheds and adjusting for municipal boundaries: This would create a Capital Region of 30 municipalities, adding the Rural Municipality of La Broquerie to a Capital Region based upon the commutershed.

Original Winnipeg Region Study Area Boundaries: Consideration was given to the original Winnipeg Region Study Area boundaries of 1971-75. These included all or parts of 30 municipalities around Winnipeg but not including the City itself.

Not Following Municipal Boundaries: Most of the boundary determinations described above were adjusted for municipal boundaries. However, presumably one could have a region based purely on a natural boundary like a watershed, or an "imaginary" boundary like a commutershed or a principal market area.

In conclusion, the RPAC recommends that the boundaries should, at least for now, remain as is, not because it believes the boundaries are necessarily perfect the way they are, but because there is already some history (fourteen years) of these municipalities working together.

Furthermore, the RPAC believes that the proposed Partnership of Manitoba Capital Region Governments has the potential to be sufficiently successful in promoting the Region that other neighbouring municipalities may ask to join.

Finally, the RPAC believes that the municipalities now in the Capital Region are integral to the make-up of the Region and that they are so intertwined with the market, the commutershed, the culture, and history of the Capital Region, that they should remain a part of it.

The RPAC recommends that:

5.1 The Government of Manitoba declare that, for a five-year period, it will support or approve only voluntary amalgamations or annexations in the Manitoba Capital Region.

5.2 The municipalities that currently comprise the Manitoba Capital Region, that is the Rural Municipalities of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, Rosser, Springfield, St. Andrews, St. Clements, St. François Xavier, Taché, and West St. Paul, the Town of Stonewall, and the Cities of Selkirk and Winnipeg should continue to be members of the Manitoba Capital Region.

Chapter Six

A Partnership of Manitoba Capital Region Governments

Regional co-operation is a crucial requirement for the future of the sixteen municipal governments that comprise Manitoba's Capital Region. Presently, the Manitoba Capital Region is a product of informal political and administrative processes. It needs to be given greater importance and visibility by gaining more of a statutory and institutional basis for its operations. For this reason, the RPAC is recommending that the Government of Manitoba, after consulting with the Capital Region municipalities, pass legislation establishing a Partnership of Manitoba Capital Region Governments.

To maintain efficient and effective services and to respond to the important changes taking place in the more complicated, dynamic, interdependent, and uncertain world beyond their individual borders, municipalities must not only address their own needs, they must look to their neighbours and to other levels of government. Important policy issues spill over municipal boundaries and require a more integrated regional response. Furthermore, the three levels of government no longer, if they ever did, operate in isolation.

As a group, the sixteen municipalities of the Capital Region have their most frequent and most important interactions with the Government of Manitoba. The provincial government draws the boundaries of the Capital Region and designates its membership. The provincial legislature passes the main statutes (such as *The Municipal Act, The Planning Act*, and *The City of Winnipeg Charter*) that delegate authority to municipalities. Municipalities also depend greatly on financial transfers from the Province. Much of what happens in the world of the Capital Region involves interlocking activities of the sixteen municipalities and the Government of Manitoba.

The Region is also affected, although to a much lesser extent, by the statutory, policy, regulatory, financial, and administrative actions of the Government of Canada. In short, the Region exists in a complex web of relationships among issues, governments, and other actors.

Although little noticed by its residents, the Capital Region already operates reasonably well. Other chapters of this report provide examples of successful inter-governmental collaboration. Rural municipalities in the Region regularly settle cross-border problems amicably and expeditiously. The provincial government regularly consults its municipal partners on issues such as planning law amendments, and even the operation of the RPAC process. The City of Winnipeg and the provincial government not only negotiated the *City of Winnipeg Charter* (2003), they have planned a further set of discussions to identify more autonomous models of urban government. The Province and the municipalities have participated in a succession of infrastructure programs that have been cost-shared with the Government of Canada. Over several decades, tri-partite agreements involving the City of Winnipeg, the Government of Manitoba, and the Government of Canada have involved the expenditure of hundreds of millions of capital and operating dollars to revitalize Winnipeg, with a priority being placed on the core of downtown. In summary, cooperation among governments is necessary in the interconnected regional context and there are many positive examples of collaboration.

The extent and pace of the development of successful regionalism needs to increase. The proposed Partnership of Manitoba Capital Region Governments would provide the needed institutional basis for regional development.

WHAT IS A PARTNERSHIP?

From the outset the RPAC wishes to be clear that it is not recommending another level of government. Instead, the Committee is proposing to recognize in law, and through the establishment of a new organizational forum, a region of sixteen municipalities that are joined geographically, economically, ecologically, and socially in a region that is vitally important to the future of the province. To promote this important region and to ensure collaboration among the members, the RPAC is proposing the establishment of a new organization for information sharing, research, and consensus-building.

The proposed Partnership of Manitoba Capital Region Governments (PMCRG) will be an intergovernmental forum to promote regional thinking and collaboration among governments in the Region. The Partnership will not pass and implement laws nor will it take authority away from municipalities. Agreements reached within the Partnership will be based on consensus and, with the exception of setting the budget of the Partnership itself, such decisions will not be binding on the member governments.

With only an executive director and one other professional employee, the Partnership will not require a large administrative apparatus. Its budget will be based on contributions from the Government of Manitoba and the sixteen regional municipalities. This is not a radical change because the municipalities already contribute financially to the costs of the association called the Mayors and Reeves of the Capital Region. To provide a legal basis for the expenditure of public finds and to enhance the visibility of the this important new regional forum, it should be brought into existence through the passage of a provincial statute. In short, the Partnership is a new institution designed to foster positive regionalism. In no way can it be described as another level of government, as another bureaucracy, or as a special purpose authority with formal decision-making powers. It is all about communication and addressing matters of mutual concern.

Writing in 1999, the Capital Region Review Panel observed "there has not been an effective structure to address regional issues by municipal governments within the Region." (Capital Regional Review Panel, *Final Report*, 1999, p. 74) The panel went on to recommend that the provincial government pass a Regional Associations Act, which would provide a statutory framework to enable all Manitoba municipalities, including those within the Capital Region, to form regional associations. The proposed act was described as providing "a wide range of authority that is not intended for immediate adoption but is available, if, as and when the member governments voluntarily agree that their regional association should have that authority." (Capital Regional Review Panel, *Final Report*, 1999, p. 74) The Review Panel observed that regional associations elsewhere evolved gradually from forums originally intended for the exchange of information to become collaborative enterprises to market regions, promote shared services, resolve disputes, and deal with other levels of government. The RPAC believes that the province must play a leadership role in bringing a regional association into existence.

The sixteen Capital Region municipalities need a regional forum to share information, to discuss issues of mutual concern, to develop ideas for regional action, to conduct research and analysis, and to agree upon common approaches to shared problems. Because of the importance of the Capital Region to the entire province and because provincial policy, regulatory, financial, and administrative actions can greatly affect the Region, the Government of Manitoba needs to participate directly in any new regional forum that is created.

A knowledgeable observer of the Manitoba Capital Region might ask why another body is being proposed. The forum that the RPAC is proposing is different from existing associations and committees because it will exist in law. Its primary purpose will be to create mutual understanding and cooperation among the governments of the Capital Region.

First, let us consider what exists. There is an organization that represents all Manitoba municipalities, the Association of Manitoba Municipalities (AMM). The AMM was created by legislation in January 1999, merging the Union of Manitoba Municipalities (UMM) and the Manitoba Association of Urban Municipalities (MAUM). Based in Portage la Prairie, the AMM executive and the full-time professional staff of the AMM lobby on issues that affect Manitoba municipalities. The AMM also operates a trading company, the Municipalities Trading Company of Manitoba Ltd. (MTCML), and provides many member services, including municipal insurance, special events throughout the year, a quarterly magazine, a biweekly news bulletin, a web site, and general information and support. The AMM would continue to exist following the formation of the PMCRG.

There are already several organizations operating at the regional level. The Mayors and Reeves of the Capital Region, incorporated in 1998, provides representatives of the sixteen municipalities an opportunity to share ideas, identify issues, and develop positions that it can then raise with the provincial government. The purpose of the organization can be described as educational, information sharing, and advocacy directed towards the provincial government. The organization levies fees on its members and employs a consultant on a part-time basis. Quite appropriately, the provincial government does not participate directly with this group, although there are frequent contacts with the provincial Minister of Intergovernmental Affairs. Following the establishment of a Partnership of Manitoba Capital Region Governments, the Mayors and Reeves of the Capital Region might still have a role to play in developing strategy and tactics to influence the provincial government.

The Association of Rural Municipalities (Winnipeg Region) (ARM) consists of all the municipalities that border on the City of Winnipeg. At one time these municipalities were subject to planning controls by the City of Winnipeg within a territory called the Additional Zone. While the Additional Zone was abolished in 1991, the municipalities continue to meet regularly.

The Capital Region Committee (CRC), established by the Government of Manitoba, is comprised of the Capital Region mayors and reeves and is co-chaired by the Ministers of Intergovernmental Affairs and Conservation. It provides an opportunity for the sixteen Capital Region municipalities to have advance input into the agenda and to influence provincial thinking. Historically the agenda of the CRC meetings, which are chaired by the Province and held four times a year, have been set by the Province with the opportunity for municipalities to add agenda items. While of undoubted value as an opportunity for formal and informal communication, these meetings do not provide sufficient scope for substantive work on issues of mutual concern. The proposed Partnership of Manitoba Capital Regional Governments will be a more fully institutionalized and permanent forum for inter-governmental deliberations. The proposed Partnership of Manitoba Capital Regional Municipalities would, in effect, replace the current Capital Regional Committee.

THE ALBERTA EXPERIENCE

The Partnership that the RPAC is recommending, resembles, in part, the Alberta Capital Region Alliance. A corporation created under the *Alberta Companies Act,* the Alliance is comprised of 22 municipalities representing over one-million people in the greater Edmonton area. With a mission to "define, discuss and explore solutions to regional issues," it is involved with:

- sharing information and networking
- acting as an advocate for the Region
- providing research on regional issues
- providing a forum for stakeholders on regional issues
- facilitating and supporting implementation of regional initiatives
- supporting partners' success
- partnering with the Province to advance regional initiatives

According to its vision statement: "The Alberta Capital Region Alliance is a strong, prosperous community of communities fostering our uniqueness and promoting the Alberta Capital Region provincially, nationally, and internationally." (Alberta Capital Region website)

The Government of Alberta originally made membership in the Alliance mandatory, but it is now voluntary. The Alliance General Assembly consists of all the elected councillors from each of the 22 Alliance municipalities. In addition, each municipality has a representative on the Alliance Board of Directors. A committee of Chief Administrative Officers (CAO) from the municipalities has three representatives on the Board. Most decision-making is done on a consensus basis, with votes being held only on such matters as the articles of association, the business plan, the budget, and the allocation of funds for regional projects. Voting is on the basis of one vote per municipality regardless of the population size of the municipality. There is an elected Chair and Vice Chair of the Board. Unlike what is being proposed by the RPAC for Manitoba, the Alberta Alliance has no representation from the Alberta Government.

The Management Committee consists of the Chair of the Board, Chair and Vice Chair of the CAO's group, and two other representatives of the General Assembly. An Executive Director and a small secretariat conduct the actual day-to-day operations of the Alliance. The annual operating budget is approximately $250,000 with additional funds provided by the provincial government to support regional studies and projects. The Alliance Board approves a multi-year business plan (including budgetary allocations). The 2003-05 business plan identified priority actions (in some detail) in five areas: transportation, economic development, municipal service delivery, leadership development, and external relations. It has taken many years for the Alliance to arrive at its present state of organizational development and maturity. From a distance at least, the Alliance appears to offer the member municipalities, the region, and the entire province some important advantages and benefits.

A MANITOBA CAPITAL REGION PARTNERSHIP

The Edmonton regional model is a good starting point for thinking about the organization and functions of the proposed Partnership of Manitoba Capital Regional Governments. First, as in the Alberta example, there is merit in establishing the Manitoba Capital Region on a more formal basis by passing a law to bring the partnership into existence. There are a number of reasons for doing so, including the fact that the RPAC is proposing that the Province and the sixteen municipalities all contribute funds towards the operation of the Partnership. There needs to be a legal basis for using tax dollars for this purpose. The legislation authorizing the creation of the Partnership should be general in nature leaving many of the operational features to be negotiated among the Partnership governments.

Membership in the Partnership should be mandatory and include all sixteen Capital Region municipalities and the Government of Manitoba. Other municipalities might apply to join or be included automatically should the provincial government change the boundaries of the Capital Region.

Compared with the City of Edmonton, the City of Winnipeg represents a much higher percentage of the regional population. Although most Partnership decisions will be made on a consensus basis, the RPAC is recommending that the City of Winnipeg should appoint two members to the Partnership. The remaining fifteen municipalities should each appoint one Partnership member, normally the mayor or the reeve. The Government of Manitoba should be represented by two provincial cabinet ministers (most likely the Ministers of Intergovernmental Affairs and Conservation). This formula would create a Partnership of nineteen members. The Partnership would elect from its membership a chair and a vice-chair for agreed upon terms. The Partnership should meet at least four times a year. It could appoint committees and task forces as required, and these smaller groups could become the real working units of the Partnership.

To provide direction and to oversee the ongoing work of the Partnership, the RPAC proposes an executive committee comprised of the Chair and the Vice-Chair, two representatives from the City of Winnipeg and two provincial ministers. In the event that a City of Winnipeg representative was elected Chair or Vice-Chair, another representative from one of the adjacent municipalities would be elected to the executive committee. The executive committee would work with a Partnership executive director to develop workplans, set budgets, nominate committees and commission studies. All these actions would require approval of the full membership of the Partnership.

The Partnership should adopt mission and values statements to guide its activities. Its value statement should include a commitment to such core values as:

- strong municipalities
- regional commitment, promotion, and progress
- healthy people, healthy ecosystems, and healthy economy
- creative leadership and teamwork
- efficiency and effectiveness in service delivery
- public involvement, awareness, and accountability

Adoption of a vision and values statement would symbolize commitment to the future of the Region and would provide unity of purpose and motivation for the practical activities to be undertaken by the Partnership.

The practical activities of the Partnership are likely to be very similar to the Alberta regional body:

- to promote strong municipal governments with creative leadership
- to create a forum to discuss common municipal issues
- to conduct research on regional issues
- to foster public awareness of regional issues
- to identify and undertake regional initiatives and projects
- to retain local jurisdiction while improving the efficiency and effectiveness of municipal and regional service delivery
- to strengthen contacts with other levels of governments and to advocate on behalf of the Region
- to partner with other governments, business, and other segments of society to market the Region in a coordinated manner

A list of immediate projects that the proposed Partnership should undertake include the staging of a summit on sustainable economic and social opportunities for the Region, the development of a computer-based Geographic Information System for the Region, and the conduct of a study of intermunicipal tax sharing.

The RPAC is recommending a Partnership that will operate on a consensus basis and will not take votes that are legally binding on its members. The exception to this rule would be the requirement for binding votes on the Partnership's budget and setting the annual fees for the member governments.

The RPAC is recommending that membership in the Partnership be mandatory. If individual governments could opt out of the

Partnership or refuse to pay their fees, the Partnership's operations could be seriously impaired and/or the opted-out municipalities could obtain the benefits of regional actions without having to invest time and money. The RPAC is confident that over time, the Partnership will generate greater mutual understanding and trust among its members, and municipalities will see the value of the institution and their annual contributions.

The RPAC has the following thoughts to offer regarding the financing of the Partnership. First, the Government of Manitoba should financially support the Partnership on an ongoing basis. The justification for this is that the Capital Region represents such a large part of the provincial population and economy. Also, it would be helpful to the provincial government to have a strong regional organization to provide ideas and to engage in a constructive dialogue over future regional directions. With its larger population and tax base, the City of Winnipeg should contribute more to the finances of the Partnership than the other municipalities. Accordingly, the RPAC is proposing for discussion among the governments involved, the following annual financial formula:

Government of Manitoba	$250,000
City of Winnipeg	$50,000
Other Municipalities	$50,000
TOTAL	$350,000

The contribution from the individual municipalities outside of Winnipeg could be based on a per capita formula. The RPAC estimates that the total budget of $350,000 represents close to the minimum amount needed to sustain a viable organization. The basic elements covered by the Partnership budget would be the salaries of an executive director, at least one other professional staff, an administrative support person, rental of office space and equipment, communications, and meeting costs. For additional projects and events, the Partnership would have to obtain outside funding.

To function well, it is important that the councils of the member municipalities be kept informed about activities and projects taking place on the regional level. The regional Partnership should publish a regular newsletter and circulate it to all municipal officials. A report from their regional representative, who would normally be the mayor or the reeve, ought to be a standing item on the agendas of individual municipal council. The Partnership of Manitoba Capital Region Governments should make public an annual report on its activities, including audited financial statements. At least once a year, perhaps in conjunction with the release of the annual report, the Partnership should convene a general meeting of all the elected representatives from the sixteen councils. This occasion might be a daylong event involving leadership development opportunities such as reports from task forces and guest speakers. It is very important for effective two-way communication to exist between the municipalities and the regional Partnership if there is to be maximum understanding and support for regional efforts of various kinds.

As noted earlier, with the creation of the Partnership of Manitoba Capital Region Governments, the current Capital Region Committee could be dissolved. The future of the other current regional organizations, the Mayors and Reeves of the Capital Region and the Association of Rural Municipalities, ought to be determined by the membership of those organizations.

The proposed Partnership must be about more than municipalities and the provincial government learning to better work together. There must be a strong external focus to its efforts involving advocacy with the federal government and promotion of the Region. It would also entail significant involvement in events such as the Manitoba Capital Region Summit recommended in the next chapter of this report.

While recognizing that the proposed Partnership must ultimately be designed by the participating municipalities, The RPAC believes there is a persuasive case for the creation of such a Partnership. A Partnership of Manitoba Capital Region Governments could be a crucial catalyst in building the positive regionalism that is at the centre of all of our recommendations.

The RPAC recommends that:

6.1 Following consultation with the current Manitoba Capital Region governments, the Government of Manitoba adopt legislation creating a Partnership of Manitoba Capital Region Governments with representation from all Manitoba Capital Region governments, including the Government of Manitoba. The Partnership should be tasked with improving regional cooperation on planning issues. The City of Winnipeg and the Government of Manitoba should each have two representatives on the Partnership, all other Manitoba Capital Region governments should have one representative. The two Government of Manitoba representatives should be members of the provincial cabinet. There should be a six-member executive drawn from the Partnership that has a maximum of two representatives each from the City of Winnipeg and the Government of Manitoba.

Chapter Seven

Toward successful regional development strategies

Manitoba, like all Canadian provinces, faces the challenge of enhancing its economic and human potential within the context of an increasingly globalized and competitive world. Manitoba's growth in population and economic activity has been slow relative to that experienced by larger provinces with more dynamic economic sectors, better access to large export markets, and more bountiful natural resources. Looking to the medium-range future, there are both problems and opportunities facing the province as a whole and the Manitoba Capital Region in particular.

The RPAC is of the belief that these challenges can be most effectively met through a strategy of regional cooperation. This chapter outlines the Region's strengths, the challenges it faces, and the reasons why global economic trends call for regional responses. These responses could involve governments:

- adopting a range of policy tools to manage growth
- encouraging compact development
- ensuring economic competitiveness
- promoting environmental sustainability
- improving the quality of life for residents of the Manitoba Capital Region

This chapter then summarizes a number of current and complementary approaches to regional development that have been identified and employed in a variety of North American regions. It concludes with a recommendation that the Government of Manitoba play a lead role in working with regional governments and a wide range of community representatives to develop a regional development strategy.

STRENGTHS AND CHALLENGES

Manitoba has a relatively diversified economy compared with many other provinces. It has strengths in a number of manufacturing sectors such as transportation equipment, farm machinery, aerospace, foods, furniture, and windows. Free trade and a low Canadian dollar relative to the United States dollar supported expansion in the manufacturing sector during the 1990s. Even with this recent growth, Manitoba remains less dependent on the United States market than the rest of Canada. Many of Manitoba's exports to the United States are raw resources or manufactured goods related to the resource sectors. Agriculture, forestry, hydroelectric power generation, and mining remain important economic sectors. The service sector within the Manitoba economy represents nearly 50 per cent of the provincial GDP.

The Manitoba Capital Region faces an uphill battle to compete with larger, more affluent regions. According to the 2001 census, 51 per cent of Canadians live in four regions: the Golden Horseshoe around Toronto, Montreal and its regional communities, Vancouver and the surrounding Lower Mainland, and the Calgary-Edmonton corridor. From 1996 to 2001 the population of these four regions grew by 7.6 per cent, compared with only 0.5 per cent for the rest of the country. For the 1996 to 2001 period, the population of the Winnipeg region grew by only 0.6 per cent. The big four regions are magnets that attract people, investment, jobs, and services and have become the dominant centres of economic, technological, cultural, and political power in Canada.

The Manitoba Capital Region has many features that might attract and hold people. It is a friendly and culturally diverse community with numerous museums, art galleries and other cultural venues. The Region is home to a number of professional sports teams, entertainment complexes, and professional arts organizations. Its parks, waterfronts, and recreational areas draw visitors from around the world. There are many attractive neighbourhoods and housing is comparatively affordable. High-quality public education and health care are available throughout the Region, which is also home to three universities and a number of colleges. There have been major initiatives, involving significant investments of public funds by all three level of government to strengthen the economy, revitalize communities, and to enhance the Region's competitive position.

Despite its assets and the efforts by governments and others in the community, the Capital Region municipalities have experienced close to flat-line growth. The province and the Capital Region face two major human resource challenges.

Skills shortages

Because there are skill shortages in key sectors of the economy, the Capital Region needs to attract and to retain well-educated and skilled people. For many decades Manitoba has lost a significant share of its younger, better educated, and higher skilled people to other jurisdictions. On an annual basis Manitoba has lost, on average, between 3,000 to 5,000 people to other jurisdictions, mainly to other western provinces. Three-quarters of Manitoba's population growth over the next 25 years is projected to come from immigration. Less than two per cent of Canada's new immigrant population settled in Manitoba in 2001 and, while the province has an admirable record of accepting refugee populations (25 per cent of immigrants), it has received less than one per cent of the business and skilled worker class of immigrants who enter Canada annually. In the knowledge-based, technology-intensive economy of the future, Manitoba must create the economic and social conditions that will both attract and retain people with the competencies for the challenging, innovative, and well paid jobs of the future (Canada West Foundation, *Manitoba in Profile*, 2002; Manitoba Labour and Immigration, Manitoba Immigration Statistics Summary, 2001 Report).

Incorporating the Aboriginal workforce

Within five years, Aboriginal people will comprise 25 per cent of new entrants to the Manitoba labour force. Approximately 12 per cent of the provincial population is Aboriginal. More than 60 per cent of Aboriginal people live off-reserve. Over half of the off-reserve population lives in Winnipeg. The Aboriginal population is the fastest growing segment of Manitoba society and, as a consequence, it is relatively young. At present the unemployment rate among Aboriginal people is three to four times greater than that of other Manitobans.

This is not news. Governments have long recognized both the opportunity represented by a growing Aboriginal population and the challenges facing Aboriginal peoples and their communities in gaining access to the opportunities available to other Manitobans. It is also a too little recognized and celebrated fact that there is already a sizeable and growing population of Aboriginal people living and working in Winnipeg and other Manitoba communities who occupy professional, entrepreneurial, and skilled occupations. However, the ongoing transition of Aboriginal people from rural locations to Winnipeg and other built-up centers will require greater involvement, coordination, and responsiveness from Aboriginal organizations, governments at all three levels, businesses, and various non-governmental organizations. It is not part of the RPAC mandate to prescribe new directions in this area, but it must be recognized that the size, age profile, geographical location, labour force participation, and social well-being of Aboriginal people are central to the Capital Region's future. Therefore the RPAC encourages better consultation, co-operation, and co-ordination between Aboriginal communities and the municipal, planning district, and provincial government authorities.

THE NEED FOR A REGIONAL RESPONSE TO GLOBAL TRENDS

The human resources challenges outlined above are compounded by relentless international economic trends. Globalization refers to both the process and the conditions created by the emergence of a dynamic, integrated world economy. Assisted by new information processing and telecommunications technologies, financing, investment, trade, and corporate decision-making have become more international in scope. National income, employment, rates of growth, and interest rates are more deeply affected by the international economy than in the past. Through their participation in trade liberalization agreements such as the North American Free Trade Agreement, national governments have contributed to the emergence of a global marketplace. International institutions like the World Trade Organization, the International Monetary Fund, and the World Bank have taken on more importance because of the market-oriented policy reforms they promote.

Globalization has economic, technological, political, and social causes and consequences. Its impacts occur on the international, national, and local level. The process is complicated and controversial. For its proponents, globalization is inevitable and beneficial, bringing in its wake freer markets, increased profits and investment, faster economic growth, higher employment, a lessening of poverty, and an opening of previously closed societies to economic and cultural influences. To its detractors, globalization is a disruptive force that places economic considerations ahead of concerns for the environment and human rights, erodes national sovereignty and democracy, while increasing inequalities both among and within societies. One does not have to adjudicate these arguments to recognize that whether globalization is an opportunity or a threat, it is very much a force that must be reckoned with. Increasingly the argument is being made that the response should be made locally.

Globalization places new constraints on the policy choices of national governments; they no longer exercise the same degree of control within their borders over the major levers of economic and political life as they did in the past. National governments are said to have become too small for the big problems of economic and political life and too big for the small problems. Within Canada, provincial, and local governments have been largely responsible for dealing with the impacts of globalization. In part, this is because these levels of government have control over the policy fields where the necessary adjustments are felt most, such as education and training, labour markets, science and technology, natural resources, the environment, and the new cultural industries. During the 1990s, the Government of Canada's reductions in financial transfers placed additional pressures on provincial and local governments to cope with the impacts of globalization, both in terms of attracting industry and making the related economic and social adjustments.

As national borders diminished in importance, regional locations became increasingly the focal point for economic activity. What have been called "metropolitan regions," "city regions," "citistates," and "region states" have become "the relay points" or "gateways" that link the local communities to national and to the international economic processes. In his 1993 book, *Citistates: how urban America can prosper in a competitive world*, Neal Peirce noted that local governments that sought shelter behind traditional urban boundaries would be overwhelmed:

> The inescapable openness of each citistate covers a breathtaking range. Environmental protection, economic promotion, workforce preparedness, healthcare, social services, advanced scientific research and development, philanthropy—success or failure on any one of these fronts ricochets among all the communities of a metropolitan region. No man, woman, family or neighborhood is an island. (Peirce, p. 22)

Peirce argued that a citistate divided against itself will prove "weak and ineffectual" in the face of the new economic realities. In their 1996 book *Regional Politics: America in a Post-City Age*, H. V. Savitch and R. K. Vogel argued that regions represent more than the sum of their parts:

> Industries are fed by a variety of sources, including raw materials, sophisticated transportation, a skilled labour force, research facilities and an environment that can incubate new jobs. Standing alone, neither cities nor suburbs can provide the airports, universities or land to harness these resources. Working together, these generative assets can be combined and coordinated to produce new products or offer something to a world that values technology, information and managerial direction. Like it or not, therefore, localities must find ways to collaborate on policy, planning and development. (Savitch and Vogel, p. 103)

Regional approaches to economic development are increasingly important because industries and people make location decisions on the basis of a range of factors that often go beyond the features of a single city or municipality.

STRATEGIES FOR SUCCESSFUL REGIONS

There is a myriad of reasons why some regions succeed while others become economic backwaters. A strategy on its own is no guarantee of success. To have no strategy, however general, is suicidal. The following strategies are not miracle cures, but they do offer some insight into what various regions have done to improve their chances of economic and social success. Despite their differences, all these approaches depend on various institutions recognizing their role within the region and then combining forces with other groups to pursue regional goals. The priorities can be various: economic development, cluster building, strengthening labour markets, promoting social cohesion, inter-municipal cooperation, and ecosystem planning.

Clustering as a Tool of Regional Economic Development

Industrial clustering is a concept that has recently enjoyed increased popularity in the regional economic development literature. An industry cluster is a group of companies that rely on active relationships among themselves in order to enhance their internal efficiency and their competitiveness. Each firm is part of a cluster of interrelated firms, suppliers, customers, service providers, and supporting organizations. Clusters, it is argued, represent critical masses of information, skills, relationships, and infrastructure supportive of competitive advantage. It is presumed that the relationships central to industry clusters benefit from geographic proximity. For example, as just-in-time inventories and time-to-market have become key elements of productivity and competitiveness, closeness to suppliers becomes more important.

Beyond strengthening individual firms, clustering provides a basis for the development of strategies to enhance industrial growth within a region. A region with industry clusters can constitute a distinctive economic context because of the specialized resources and the ease with which those resources can be obtained. Governments are paying increasing attention to building the foundations to support competitive firms and competitive regions. These building blocks include:

- the development of a skilled and adaptive labour force
- access to technologies
- the availability of financial capital
- the presence of advanced infrastructure (transportation, communication, energy, etc.)
- close relationships between industries and educational institutions
- a responsive regulatory and taxation structure that balances business competitiveness with community concerns.

A relatively small number of clusters usually account for an important share of the economy within a geographic area and for an overwhelming share of its products and services that are exported. Some of the most recognized clusters in North America are Silicon Valley in California, biotechnology in the Boston region, and the Research Triangle in North Carolina.

The experience in the United States demonstrates that strong clusters enhance the competitive advantage of a region. Clustering need not take place on a large scale. It can start with a small number of firms and grow to include more industries and supportive institutions like private research organizations and universities.

Identifying industry clusters and mapping cluster linkages is an art form, not a precise science; it involves local knowledge and judgements about industry synergies. Clusters will undergo change, including decline, so there is no guarantee of sustained economic advantage, but the clusters approach has worked elsewhere and requires far more of a regional approach to economic development. While Manitoba and Winnipeg policy-makers have been employing the concept of industry clusters for a number of years, the concept could have further value for planning the future of the Manitoba Capital Region.

The Attraction and Retention of Creative People

A somewhat different perspective on the basis for successful regional economic growth is provided by Richard L. Florida in his acclaimed book *The Rise of the Creative Class* (2002). Florida argues that growth and innovation are driven by the location choices of creative people who prefer to work and live in places that are diverse, tolerant and open to new ideas. The creative class that Florida describes consists of scientists, engineers, architects, software developers, and artists. It is both a growing portion of the North American labour force and the driving force of the "new economy." These people cluster together in what Florida calls Creative Centers:

> The Creative Centers are not thriving for such traditional economic reasons as access to natural resources or transportation routes. Nor are they thriving because their local governments have given away the store through tax breaks and other incentives to lure business. They are succeeding largely because creative people want to live there. The companies then follow the people—or, in many cases, are started by them. (Florida, p. 218)

For people working in the creative fields, quality of life involves more than higher incomes and material possessions. They are attracted to locations that offer:

- a "deep" labour market with opportunities to change jobs
- numerous "third places" - venues other than home or work, such as bookstores, universities, cafes, etc. - where they can connect with other people
- authenticity - communities with a sense of history, genuine neighbourhoods and an environment that supports personal expression
- easy access to outdoor recreational opportunities
- diversity, tolerance and openness to new ideas

Florida's bottom line is that cities need a "people climate" even more than they need a business climate. This requires strategies aimed at attracting and retaining people—especially, but not limited to, creative people. This entails "actively cultivating diversity and investing in the lifestyle amenities that people really want and use often, as opposed to using financial incentives to attract companies, build professional sports stadiums or develop retail complexes." (Florida, p. 293) While there is no one formula to build "a people climate," Florida says that local community leaders need to develop an explicit strategy for their particular economic and cultural circumstances.

The Manitoba Capital Region is already culturally diverse and it has a vibrant set of cultural institutions. Regional leaders recognize the importance of attracting talented people to ensure its economic prosperity and quality of life. There may, however, be advantages in a more systematic examination of Florida's ideas leading to more collaborative and coherent approaches to their application.

Competitive Regionalism

In a highly competitive international global economy, it is important that the different jurisdictions within a single region limit the degree to which they compete against each other for investment and development. Economic hard times and advancing globalization during the early 1990s put pressure on many local governments to do more to attract capital and jobs to their area. Some measure of competition among local communities is obviously desirable; it can lead to investment, new firms, higher incomes, and economic growth, which can benefit entire regions, not just individual cities and municipalities. However, competition can be excessive and sterile if local municipalities are narrowly self-interested in their attempts to attract development. In such a situation companies may play jurisdictions off against one another to maximize the subsidies they obtain. When companies have already made location decisions based on normal business criteria (such access to resources, skilled workforces, and telecommunications systems) the provision of subsidies, in the form of land or direct grants, can represent a windfall profit for the owners and shareholders. It can divert scarce tax dollars from higher priority areas of public spending. Since economically prosperous and more affluent communities have advantages in competing for businesses, excessive competition can widen the financial and service disparities among local governments.

A 1988 survey done for the Niagara Region Commission is one of the few empirical studies of the effectiveness of municipal incentives such as cheap land and lower water rates as tools of local economic development. It found that such incentives had little impact on business decision-making and the commission concluded that municipal efforts to promote local economic development were generally ineffective. (See the discussion in Andrew Sancton, *Governing Canada's City-Regions: Adapting Form to Function*, pp. 58-65.) Such evidence is not likely to cause governments to abandon incentives in support of local development efforts, but it should encourage them to examine carefully the costs and benefits of competition for residential, commercial, and industrial development.

This intra-regional competition has been a particular problem in the United States where there is usually a much higher degree of political fragmentation than in Canada. For example, the Chicago area has nearly 400 governmental units and the greater Cincinnati area has nearly 250 units. "Home rule" laws passed by state legislatures and traditions of local autonomy have made consolidations of political jurisdictions difficult, if not impossible. The difficulty of streamlining jurisdictions in the United States has put pressure on local governments to adopt various forms of inter-jurisdictional cooperation to promote regional economic prosperity and to achieve cost savings for governments.

"Competitive regionalism" is a concept that has recently come into the literature to describe a way of limiting excessive competition between the governments within a region in order to improve its overall competitiveness. Linda McCarthy writes that in a competitive, region local governments, private and nonprofit bodies work with higher levels of government to coordinate their economic development efforts to secure the full potential benefits for a metropolitan region. In *Competitive Regionalism: Beyond Individual Competition*, a study done for the USA Economic Development Administration, McCarthy writes that regional cooperative efforts "may have the potential to reduce wasteful competition, promote more productive spending of public resources and allow cities to achieve results collectively that they could not accomplish individually." (McCarthy, 2000, p. 2) This collaboration can include tax sharing and service sharing (which are discussed in the following chapter) or the adoption of partnership approaches to the development and implementation of competitiveness strategies. The following section looks at US strategies for creating successful regional partnerships.

Civic Entrepreneurship

There is an increasing recognition of the role that community leaders play in bringing people and institutions together across sectors and jurisdictions to work on the long-term development of their region. In their book, *Grassroot Leaders for a New Economy* (1997), Douglas Henton, John Melville, and Kimberly Walesh examine how successful city regions connect clusters of economic specialization with responsive community competencies such as education, infrastructure, and overall quality of life. They describe the leaders who build relationships between the economy and the community as civic entrepreneurs. While these entrepreneurs often come from business, they can also come from government, the non-profit, education, and other sectors.

Community Collaboration

Metropolitan regions across Canada have recognized the potential advantages of regional collaboration. In 1999 an Ontario Competitive City Regions Partnership (OCCRP) was formed to promote "strong linkages and dialogue between business, government, education and community leaders to generate innovative approaches to developing city regions and action plans to galvanize community involvement. Through the Partnership's activities, the provincial and federal governments are looking for new avenues to support local strategic change." (Ontario Competitive City Regions Partnership website) The Toronto Board of Trade has concluded, "cities and city regions have emerged as the generators of national wealth" and endorsed five principles for improving the competitive position of Canada's urban centers (C5 on Urban Competitiveness Principles, Toronto Board of Trade Policy Statement, May 25, 2001). The cities of Moncton and Halifax have created an economic alliance that it refers to as a growth corridor to improve their ability to compete internationally. Similar partnership initiatives are underway in Edmonton and Montreal.

Cross-sectoral leadership

One of the most important characteristics of this North American movement toward regionalism is the leadership being provided by a broad group of new players—business, labour, non-profits, research institutes, and universities, etc. Secondly, having recognized that they do not have a monopoly on the relevant knowledge and skills, governments are increasingly prepared to share leadership in order to achieve success. Thirdly, because they operate in national and global markets and depend upon regional labour, transportation, communication and housing markets, business leaders are increasingly willing to look past political boundaries and historical bickering among governments to adopt a direct role in the region-building process.

The Memphis Principles Statement, endorsed by more than 400 regional leaders who gathered at a conference on successful regional strategies in October 1999, is a leading formulation of the new regionalism. It can be summarized as follows:

- Regions need new leaders and new roles for traditional leaders.
- Regions need strong cores.
- Regional success depends on self-interest, not charity.
- Neighbors build regions, but first they must build neighborhoods.
- Boundaries don't matter but places do.
- Regionalism needs a multi-pronged agenda.
- Regions are full-service communities helping to sustain us at every age and in every aspect of life.
- Communication is key.
- Regionalism is a continual process.
- No one governing system is right for all regions. ("Crossing the Line: The New Regional Dynamics", *Governing*, January 2000)

CONCLUSION

Without the built-in natural advantages possessed by other urban regions, the Manitoba Capital Region needs to improve the level of regional cooperation and planning. This can be most effectively accomplished with provincial policy leadership that recognizes other significant players as equal partners.

The Government of Manitoba should make sure that everyone—the City of Winnipeg and the surrounding municipalities, the provincial government, and relevant federal government agencies, business and labour, and social movements and citizens in general— is following the same game plan. The RPAC challenges the provincial government and the sixteen municipalities that comprise the Manitoba Capital Region to develop a strong regional partnership that involves a wide range of non-governmental institutions, organizations, and individuals. As a first step, the proposed Partnership of Manitoba Capital Regional Governments should host a regional summit conference.

In addition to governments, the Summit would involve a wide range of institutions and individuals from business, labour, community and Aboriginal organizations, universities and colleges, think tanks, and others. Such linkages are important because these organizations would bring a diverse range of interests and values to regional planning. They would encourage a longer-range perspective than is possible for elected politicians to adopt on a continuing basis.

Out of such an event, should emerge:

- the outlines of a shared vision for the future of the Manitoba Capital Region and the commitment to develop a "game plan" for future planning and development

- a set of shared leadership principles and behaviours to guide the ongoing partnership process
- a commitment to work on policy frameworks. These should include economic development, growth management, environmental sustainability and social well being.

The RPAC recommends that:

7.1 The Partnership of Manitoba Capital Region Governments host a Capital Region Summit that involves the sixteen Manitoba Capital Region governments along with a wide range of institutions and individuals from business, labour, community and Aboriginal organizations, universities and colleges, think tanks and others. The Summit's aim would be to achieve agreement on a shared vision for the future of the Manitoba Capital Region and a cross-sectoral partnership committed to realizing that vision. The Summit should be held within one year of the establishment of the Partnership.

Chapter Eight

Co-operative Regionalism Sharing the benefits, Sharing the costs

Chapter Seven identified regional service and tax sharing as two potentially effective tools in building a successful, globally competitive metropolitan region. Service and tax sharing constitute the sort of functional cooperation between governments that builds regional awareness and trust among governments and enhances the efficient use of the available dollar. Such municipal collaborations can also be the basis for cost-effective, high-quality services that will add to the economic strength and the quality of life of the region. For this reason, the RPAC endorses the principles of service and tax sharing.* The practices of service sharing and tax sharing can serve the same aims of fostering regional advantage and regional benefit. Service sharing involves the joint use of regional assets, while tax sharing involves the sharing of the revenues generated directly or indirectly by those assets. For this reason, the two practices are discussed together in this chapter. However, the RPAC recognizes that the two practices need not always go together. Depending on the circumstances, it is possible to have service sharing without tax sharing and vice versa.

There are already a number of successful examples of service and tax sharing in Manitoba. There are also opportunities for additional service-sharing arrangements, especially between the City of Winnipeg and the municipalities adjacent to it. However, there is also a significant degree of misunderstanding and resistance to further expansion of such arrangements. The general lack of regional consciousness, limited acceptance of regional approaches to problem solving, and even mistrust of the motivations of the people who propose tax sharing are certainly barriers to the introduction of some form of service and tax sharing.

Movement beyond the current level of cooperation will require leadership from the Government of Manitoba. For this reason, the

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* In some jurisdictions tax sharing is referred to as "revenue sharing" to stress the benefits of this mechanism of regional collaboration. If the substitution of the phrase "revenue sharing" for "tax sharing" enhances the prospects for serious and active consideration of this useful mechanism, RPAC is in favour of the term. This report will, however, make use of the more familiar phrase "tax sharing".

RPAC is recommending that as the first step towards expanding region-wide service and tax sharing that there be detailed studies of existing and potential arrangements for both service sharing and tax sharing. The details of this proposal are spelled out in the last section of this chapter.

Two points must be made clear at the outset of any discussion of service and tax sharing.

1) The RPAC is not recommending the creation of a new tax.

Tax-sharing arrangements can cause the tax rate in a given municipality to go up, down, or remain the same. It all depends on the nature of the tax-sharing agreement. In some US jurisdictions for example, municipal tax sharing involves municipalities sharing the proceeds of an existing tax that is levied at the state level.

2) Service and tax sharing can work to protect and strengthen local autonomy.

As noted earlier, many regional policy issues often spill over municipal boundaries and require coordinated responses. In Canada, over the last decade the governments of Ontario and Quebec have responded to these sorts of policy issues by amalgamating municipalities into super-cities. The Government of Manitoba and the Capital Region municipalities have all indicated that they currently do not favour forced amalgamation in the Manitoba Capital Region. It is the RPAC's view that any such consolidation of municipal jurisdictions, at this time, would lead to conflict and deep divisions among the communities that comprise the Capital Region.

Future governments may not take such an attitude if they are faced with evidence that competition between municipalities and duplication of services are contributing to development decisions that are socially and economically unsustainable. The autonomy of local government is best defended through its willingness to maximize efficiency and effectiveness.

The development of shared services sends a positive message that municipalities are prepared to put the need for cost effective, responsive, and high-quality services ahead of the desire to protect their own authority and jurisdiction. Tax and service sharing would reinforce local autonomy and could also contribute, over time and in combination with other measures, to the emergence of stronger, more constructive approaches to regional issues.

Working from an assessment that service and tax sharing offer significant potential benefits to the residents of the Manitoba Capital Region, this chapter:

- outlines the potential benefits of service and tax sharing
- sketches in the existing level of regional cooperation
- provides an explanation of tax sharing
- addresses potential roadblocks to service and tax sharing
- makes proposals that the Government of Manitoba take steps to increase the level of service and tax sharing in Manitoba

POTENTIAL BENEFITS OF TAX AND SERVICE SHARING

Aside from balancing regional goals with local autonomy, service and tax sharing have the potential to improve services, lower costs, reduce competition, and help ensure that development is directed in a sustainable fashion. The following listing outlines the intended benefits of a variety of service and tax-sharing initiatives throughout North America.

- For large scale and expensive infrastructure projects, like sewage treatment plants and water services, capital cost savings can be achieved by eliminating duplication.
- Operational cost savings may also be obtained through joint service provision that allows for the use of better technology, reduced labour requirements, and economies of scale.
- A shared-services approach may lead to improved service quality and service integration.
- The international competitiveness of the urban region is promoted by ensuring comparable infrastructure throughout the region.
- Intermunicipal competition in the form of financial concessions to attract residential, commercial, and industrial development can be reduced, thereby promoting smart growth and reducing sprawl.
- Fiscal disparities among local governments can be reduced, thus improving the quality and comparability of services.
- Communities in the early stages of development or in decline can be assisted by allocating additional revenues to them.
- Over-reliance upon property taxes can be reduced, especially when upper levels of government allow additional tax room (e.g. sales tax, income tax, gasoline tax, etc.) to be occupied by local governments.
- Regional assets like parks, zoos, and museums can be enhanced and preserved. In the Manitoba Capital Region there many such assets, ranging from the Costume Museum in Dugald, the Marine Museum in Selkirk, to the Royal Winnipeg Ballet, that provide potential benefit to all Capital Region residents and also serve to draw visitors to the Region.

It should be noted that service or tax sharing are not in all cases the most effective methods for reaching each of the goals identified above. Nor do all of the problems indicated in this list currently exist in the Manitoba Capital Region. The studies that the RPAC is proposing ought to identify which goals are appropriate to the Manitoba Capital Region, both currently and in the foreseeable future. The sidebar discussion on the following page outlines the RPAC's reservations as to the applicability of certain forms of tax sharing in the Manitoba Capital Region.

Certain functions benefit from a regional approach by virtue of the scope of their impact, the corresponding high need for coordination across municipal boundaries, the reliance upon expensive capital facilities, and the desirability of reasonable comparability in the provision of basic services. The 1999 Capital Region Review Panel saw merit in the concept of service sharing and presented the following list of candidates for service sharing in the region:

- drainage
- water supply
- transport

The limits of tax sharing

The RPAC recognizes that considerably more research and discussion has to take place before regional tax sharing is expanded in the Capital Region. The Committee is recommending that intermunicipal tax sharing (along with service sharing) be embraced in principle because it can improve services while controlling costs and contribute to the development of a region-wide perspective and approach to development. The RPAC recognizes that tax sharing is not a miracle cure. A number of the problems that tax sharing is meant to resolve are either not significant concerns in Manitoba, and tax sharing is not always the most effective tool to be used to respond to regional issues.

1) Tax sharing has been adopted in a number of locations to deal with problems of political fragmentation and the extreme competition for development that can take place when multiple local government jurisdictions exist within city-centered regions. Currently, it would appear that such competition is not a widespread issue in the Capital Region.
2) Tax-sharing programs can also be used to reduce disparities in fiscal capacities (i.e. ability to raise revenues) and service levels (both the quantity and the quality of services) between communities thus ensuring balanced and fair growth opportunities for all communities within the region. The RPAC believes that tax sharing can perform this function in many cases. However, there is a difference between improving services and infrastructure throughout the region and creating a complete level playing field when it comes to the Region's municipalities' ability to compete for outside investment. The land-use policy recommendations made in Chapter Fourteen of this report, favour policies that encourage municipalities to retain their rural character and also recommend that industrial development be directed to locations that allow for the most efficient use of existing infrastructure and the least impact on the environment.
3) Tax sharing is seen as a way to limit sprawl in the residential sector. However, none of the intermunicipal tax-sharing programs the RPAC studied used residential property taxes as the source of revenues to be pooled and redistributed across the region. The direction and density of residential growth are issues best dealt with through the existing development planning process on the basis of a strengthened and more consistent oversight role by the provincial government, as recommended in Chapter Fourteen of this report.

- landfills
- policing
- fire protection
- libraries
- recreational facilities
- cultural facilities

The Capital Region Review Panel also recommended that tax sharing be made permissible, but voluntary, under its proposed Regional Associations Act. However, current legislation already allows municipalities to enter into tax-sharing arrangements.

While the list of services that the 1999 Capital Region Review Panel identified fits with the general criteria for service sharing there is as noted below a need for further study to identify costs and benefits and overcome existing resistance to tax sharing.

EXISTING EXAMPLES OF INTERMUNICIPAL TAX AND SERVICE SHARING

Most Capital Region municipalities already recognize the potential value of service sharing. In its presentation to the RPAC, the Association of Rural Municipalities recommended that sharing of services among municipalities should be encouraged. It urged the RPAC to recommend that the provincial government consider new incentives, and remove any existing disincentives, to promote voluntary intermunicipal collaboration and cooperation within the Capital Region. There is a base of collaborative arrangements to build upon, but there needs to be a systematic survey to identify the range and type of arrangements and "the best practices" for making them work effectively.

More regional cooperation occurs than is commonly recognized. Many municipalities have mutual aid agreements to support their neighbours in the event of an emergency. Ten of the sixteen municipalities within the Capital Region belong to three planning districts, and two more are actively considering forming a planning district. These districts prepare development plans for their districts and administer zoning and building by-laws. Some take on approval authority for subdivisions. There are also conservation districts and water associations, which often involve municipal representatives. Other municipalities cooperate in solid waste management, recreational facilities, and the sharing of equipment.

Such municipal collaborations represent both the reality and the potential of the kind of regionalism that this report endorses. Often small scale, low key, and unheralded, these pragmatic examples of cooperation are a critical component to making the Capital Region a good place to live and to do business.

Within Manitoba there are tax-sharing agreements between the five Pelly Trail Municipalities (the Rural Municipalities of Russell, Silver Creek, and Shellmouth-Boulton, the Town of Russell and the Village of Binscarth), the City of Portage la Prairie and the Rural Municipality of Portage la Prairie, the Rural Municipality of Hanover and the Town of Niverville, and the Rural Municipality of Brokenhead and the Town of Beausejour. Authority for such tax-sharing agreements is found in section 259 of *The Manitoba Municipal Act*.

Unfortunately, there are also examples of intermunicipal relations that are far from cooperative. More than once the RPAC heard about the impact of Winnipeg City Council's refusal to provide piped water services to Headingley on that community's decision to withdraw from the City of Winnipeg. Subsequently the Manitoba Water Services Board had to provide capital financing to the newly created Rural Municipality of Headingley to assist it in obtaining piped water from communities to the west of it. The RPAC brings this issue up not to apportion blame, but to point out that this series of events led to unnecessary spending of public money because:

- The Government of Manitoba had to find the capital dollars for the water project.
- The City of Winnipeg lost the revenue it would have received from Headingley for its water.
- All three jurisdictions had to absorb financial and political costs associated with the divisive negotiations over the separation.

Quite frankly, the province, the region and the city do not have the economic strengths and financial capabilities to afford to duplicate and underutilize expensive infrastructure facilities. Nor does a reputation for political infighting among governments enhance the region's image.

As the Headingley dispute illustrated, many of the service-sharing difficulties in the Manitoba Capital Region involve the City of Winnipeg and the municipalities that share a boundary with the City. The RPAC heard of a number of cases where the City rejected offers from neighbouring municipalities to pay for the City services at rates that would have allowed the City to make a reasonable profit. While there are examples of the City sharing services in the past, since the separation of Headingley in 1991, successive City Councils have taken the position that they would not enter into such agreements. The City of Winnipeg indicated that it is reluctant to enter into service-sharing arrangements because, from its perspective:

- Service sharing could lead to sprawl.
- The Province has provided subsidies for water and sewer services in municipalities outside the City of Winnipeg.
- The Province has different planning requirements for Winnipeg than for the municipalities outside the City of Winnipeg.
- The Province's method of property tax assessment in the municipalities outside of the City of Winnipeg encourages the construction of expensive homes outside the city.
- The level of the Province's support for certain services differs between the City of Winnipeg and the municipalities outside the City of Winnipeg.

These are complex issues that should be examined as a part of the study of service sharing recommended at the end of this chapter. The City of Winnipeg position on service sharing is also affected by a number of disputes that have arisen between the City of Winnipeg and various municipalities over payment for various services rendered.

There is also concern that competition between the region's municipalities may be having a negative, and in the long-term very costly, impact on development decisions. A certain level of competition between municipal governments is healthy since it creates a dynamic for growth and offers businesses and people choices about where to locate. Of course, what qualifies as healthy competition as opposed to expensive "give-aways" is partly in the eye of the beholder. There is almost no public information available on the extent, intensity, and nature of the competition for commercial and industrial development that goes on within the Capital Region. What little evidence is available is mainly anecdotal, consisting of stories about the factors led to the location of the Husky emulsifier in the industrial zone of the Rural Municipality of Springfield rather than in Winnipeg; the decision by Kleysen trucking to move from its Winnipeg location into the Rural Municipality of Macdonald; and the negotiations conducted by Wal-Mart with the City of Winnipeg and Rural Municipality of East St. Paul over the location of a store. The evidence suggests that currently the level of competition between municipalities for commercial and industrial activity is relatively low.

The City of Winnipeg can (and sometimes does) offer incentives at a scale and magnitude that the much smaller surrounding municipalities would have difficulty matching. The City has difficulty competing with the surrounding municipalities in land prices (which tend to be higher in Winnipeg), property taxes (which also tend to be higher in Winnipeg), and often in the level of financial commitment (through infrastructure improvements, for example) that the City normally requires from a developer. This has tended to make some types of development, particularly residential development, in some circumstances, more attractive outside of the City than inside. There is a need for more reliable information about the extent and the ways that local governments compete for development dollars within the Capital Region. The intergovernmental study on tax sharing proposed at the end of this chapter would investigate this issue further.

HOW TAX SHARING WORKS

While service sharing is well-developed and widely accepted by Manitoba municipalities, tax sharing is far less well understood. For that reason it is useful to sketch the elements involved in municipal tax-sharing agreements. These agreements usually constitute a form of horizontal revenue sharing among local governments and must be distinguished from the existing arrangement for vertical tax sharing in which the provincial government transfers a designated portion of provincial personal and corporate income tax revenues to Manitoba's municipalities.

With intermunicipal tax sharing, a portion of each locality's tax revenue is contributed to a regional pool and redistributed according to some agreed upon criteria (other than the locality's original contribution to the pool). The details of a tax-sharing program will determine its overall fiscal impacts, the degree to which it is redistributive and the extent to which it is politically acceptable to the various governments involved. The tax sources covered can be limited to a particular tax (e.g., commercial-industrial property tax) or they can cover more than one tax field (e.g., property and sales taxes). A local government's contribution might be set as a percentage of the incremental growth in tax revenues beyond a base level. Alternately, it might be a percentage of the current tax base. Distributions from the regional pool can be based on a number of criteria—per capita, tax capacity, fiscal need, or land-use decisions.

There are three key design features in any tax-sharing arrangement:

- which tax or taxes are shared
- the percentage of the revenues from those taxes that is assigned to the regional pool

- the formula for redistributing funds from the regional pool to the participating municipalities

These three features can be designed to balance local and regional interests, to control the overall cost of the program, to limit its redistributive impacts, and to serve a number of potential public policy goals. Decisions on each of these components of a tax-sharing program will determine the amounts of money involved, the extent to which redistribution of revenue from one locality to another takes place, and the extent to which the program achieves its aims. The degree of administrative efficiency involved in collecting and administering the taxes would be determined by the design of the program.

Tax sharing can be used to fund a wide variety of agreed upon regional services or capital projects or to create a pool to support regional cultural and social assets. But it can also be used to redirect the benefits arising from industrial and commercial development. Under the latter form of tax sharing, money flows back to municipalities from a pool created from taxes levied on commercial or industrial development. This model is meant to discourage governments within a region from engaging in bidding wars to attract investment to their jurisdiction and away from other areas that are better suited to accommodate such development. By providing all governments in a region with a share of the benefits generated by development within the region, tax sharing helps to avoid counter-productive competition and potential social and environmental costs.

The political acceptability of any form of intermunicipal tax sharing will depend upon three factors:

- the availability of sound financial data
- the creation of a committee or body to allocate funds from the regional pool in an objective manner
- a mechanism for resolving disputes when individual governments have complaints about their contributions and transfers they might receive

Because funds are pooled and redistributed, it can be argued that tax sharing undermines financial accountability when spending decisions are not being made by the same politicians who made the taxing decisions. There are three responses to this argument. First, the principle that taxing and spending power should coincide is already widely disregarded in practice in Canada and the United States. Neither provincial nor local governments spend only the money they raise from taxes levied at their level, both depend on transfers from other levels. Public finance arrangements in the provincial-local government field are already so complicated as to defy easy understanding. Surveys of public opinion reveal widespread lack of understanding about who pays for what in the interdependent world of intergovernmental relations. Secondly, part of a tax-sharing scheme could be the publication of information about where money is raised, how it is spent, and what results are achieved so as to allow for a greater measure of financial accountability. Finally, although accountability is an important value, it must be balanced and accommodated with such other goals as equity, financial stability, and well-managed growth. Tax sharing is one of a number of policy tools used by governments to promote economic development, regional partnerships, "smart growth," and greater equality of opportunity for local communities and their residents. It cannot be looked at in isolation or judged on the basis of one value, even so important a value as financial accountability.

There are a growing number of working programs of intermunicipal tax sharing in the United States, where political fragmentation at the local level has provided an incentive for experiments in different types of regional collaboration. A number of these are profiled in the sidebar on the following page. State policy leadership is involved, usually in the form of promoting the concept of tax sharing, passing authorizing legislation, and/or granting local governments a greater share of taxes, especially sales taxes. Programs involving multiple governments are more difficult to launch than those involving only a few governments.

REMOVING SOME ROADBLOCKS TO SERVICE AND TAX SHARING

The RPAC does not intend to pre-judge the work of the studies into tax and service sharing that it is recommending. However, there are a number of reservations about service and tax sharing that must be addressed if such studies are to be commissioned.

As noted above, in recent years the City of Winnipeg has been unwilling to enter into service-sharing arrangements. Three arguments are commonly advanced in support of this position. It is said that:

1. The extension of City services is inefficient because it supports the non-contiguous development of larger semi-urban or rural lots.
2. The initial costs of extending services are significant and the City charges the municipalities, may not take into account the full, longer-term costs of expansion, including when the City needs to add capacity to accommodate growth in the future.
3. While there may be under-utilized capacity, City services are paid for by City residents (both now and in the future) and are not intended for use by people in the outside municipalities who often have lower taxes and larger lots.

There are persuasive responses to each of these arguments.

1. It is true that the extension of services can lead to additional development in surrounding municipalities. However, if the development that takes place is consistent with existing planning regulations, it is not the role of the City of Winnipeg to attempt to block that development by refusing to enter into a service-sharing agreement. Dealing with inefficient development patterns outside of Winnipeg is better handled through the development plan process and the enforcement of the Provincial Land Use Policies regulation than by the City refusing to work with its neighbours on service-sharing agreements. The City of Winnipeg is entitled to the assurance that the Province and the municipalities will apply adequate development policies in a consistent manner.
2. On the financing of service extensions, it makes no economic sense for adjacent municipalities to build separate sewage, water and other systems (usually subsidized by the provincial government), if the City of Winnipeg could provide these services at perhaps a third to half of the cost and make a profit in the process. The City of Winnipeg's administration has developed a sophisticated service-based budgeting system that enables them to identify accurately the true costs of providing particular services. The availability of this information

U.S. examples of tax sharing

A background paper written for the RPAC (available on the Capital Region website) examined several types of intermunicipal tax sharing in the United States. Among the programs profiled were:

- The Minneapolis-St. Paul Fiscal Disparities Program, which was authorized under a state law passed in 1971. It covers seven counties and approximately 300 local governments, and is designed primarily to lessen fiscal disparities (i.e., the capacity to raise revenues) among the participating governments. Thirty years after its creation, the program remains controversial. Although there are mixed assessments of its success, it has lessened financial disparities among local governments in the region.
- The Economic Development/Government Equity Program (EDGE) in Montgomery, Ohio, was adopted in 1992 primarily to promote economic development by providing funds for infrastructure to increase the attractiveness of local communities to commercial enterprises. Funds to support infrastructure projects are generated through a complicated and controversial formula and grants are awarded by special commission. According to David Rusk, a leading U.S. expert on regional government, the EDGE program represents a significant accomplishment because most projects have helped to attract and to retain industry and, just as important, participation by local government officials on EDGE committees has promoted other forms of regional collaboration.
- The Hackensack-Meadowlands, New Jersey, program represents the use of tax sharing to support the preservation of environmentally sensitive wetlands and parklands. Preserving these special areas requires some municipalities to sacrifice commercial development. A Commission redistributes funds from a revenue pool to which fourteen governments contribute.
- The Denver Scientific and Cultural Facilities District (SCFD) program was created under a state law in 1988. The SCFD collects a tenth of a percent of sales tax and provides financial support to such community assets as the art gallery, science museum, zoo, botanical gardens, performing arts organizations, and numerous smaller cultural institutions.
- The Allegheny Regional Asset District was created in 1994 by the Pennsylvania legislature in an effort to reduce the reliance of municipal governments on property taxes and to provide stable financial support to recreational and cultural institutions. A one percent state sales tax is distributed on the following basis: 25 per cent to the county government, 25 per cent to the other municipal governments, and the remaining 50 per cent goes toward the preservation of regional assets. Local governments are required to reduce property and amusement taxes as a way to enhance regional economic competitiveness. From 1994 to 1999 more than 100 organizations benefited from the 50 per cent share of the sales tax: $85.4 million to parks, $91.5 million to libraries, $27 million to cultural institutions, and $100.6 million to regional facilities.

should reduce the potential for disputes over whether the City is charging too much or too little for its services.

3. Finally, to state that City of Winnipeg taxpayers pay for city services is not entirely accurate because the provincial government directly provides approximately $100 million annually to the City, through both conditional and unconditional grants. These provincial tax dollars come not only from Winnipeggers, but from people in all parts of the province. A similar condition applies when the province subsidizes services to other municipalities.

Not all the resistance to tax sharing has come from the City of Winnipeg. Residents of municipalities outside the City of Winnipeg indicated that they were leery of entering into a tax-sharing arrangement with the City of Winnipeg for fear that they would find themselves subsidizing a government that they view as inefficient. Two responses can be made to this argument.

First, as noted above, tax-sharing agreements do not necessarily involve one jurisdiction subsidizing the efforts of another jurisdiction—it is all a matter of the design and goals of the program. Secondly, it must be recognized that Winnipeg supports a wider array of services and has an aging infrastructure that the surrounding municipalities do not have to finance. No doubt there are still improvements to efficiencies that could be made in the operation of the City, but the evidence suggests that Winnipeg operates as efficiently as any other large city in Canada. Winnipeg City Council has reduced property taxes and spending during the past five years to the point that it now compares favourably to other western Canadian cities in terms of taxes and is one of the lowest cost providers of services on a per capita basis among major cities. (Chapter Nine contains a summary of the City of Winnipeg's recent financial history and tax policies.) The existence of conflicting negative stereotypes of other governments within the Region must be confronted if tax sharing or other forms of regional collaboration are to be successful.

HOW THE PROVINCE CAN INCREASE SERVICE AND TAX SHARING

The Regional Planning Advisory Committee endorses, in principle both service and tax sharing as tools that have the potential to improve the level, efficiency, and quality of services in the Capital Region. They can also contribute to the creation of a more cooperative and stronger Capital Region. Finding political agreement on the concept and on the details of specific models of service and tax sharing will not be easy. At present there is limited understanding and acceptance of these concepts and this means that support and agreement must be built gradually over time. The Government of Manitoba must play an important role in promoting service and tax sharing.

The Government of Manitoba has both the legal authority and the financial capacity to promote more efficient service provision within the Capital Region. It can withhold approval for development plans or refuse to subsidize services where duplication and overlap are involved. These would be negative controls. It would be preferable for the provincial government to play a more proactive, positive, role and provide incentives and support for innovative efforts at regional cooperation. While the RPAC does not have a detailed proposal, it recommends for consideration the following, possible forms of assistance:

- provincial support to defray the startup costs of shared service and tax initiatives

- support in communicating the advantages of shared services and taxes over the long term

There is a need for more information, more study, and more public discussion to build understanding, mobilize support, and ensure commitment of participant municipalities to any cooperative service and tax agreements that are adopted. To further this, the provincial government should provide leadership and financial support for a study on the potential uses of service sharing and a separate study on the potential of tax sharing within the Capital Region. Two different studies are recommended because there exists a great degree of support and understanding of service sharing, while there are many more unanswered questions regarding tax sharing. While the two types of approaches to regional collaboration can be combined, one can be adopted without the other.

A study on service sharing

The service-sharing study would examine the collaborative arrangements that now exist in the Capital Region: the service areas involved, the legal basis for the sharing arrangements, financing arrangement, other possible areas of service sharing (including the expansion of planning districts and conservation districts), and the perceived obstacles to further regional collaboration. The concerns identified by the City of Winnipeg ought to be included in such a study. The study should be designed and conducted by an independent party, such as the Institute of Urban Studies at the University of Winnipeg, and become a public document.

A study on tax sharing

The tax-sharing study should be directed by the Executive Committee of the Partnership of Manitoba Capital Region Governments. Joint development of such programs could, in itself, be an important region building opportunity. A carefully designed and targeted study could contribute significantly to progress within the Manitoba Capital Region. The final report prepared for the committee should be a public document.

Such a study would produce:

- a set of principles of shared taxes, and different models of shared service tax programs to guide local officials through the process

- a repository of information and resources on experiences with shared taxes and technical assistance to local governments

The proposed study would need to address the following questions:

- What issues in the Manitoba Capital Region would benefit from the introduction of tax sharing?

- Will participation in a tax-sharing plan be voluntary?

- Should tax sharing in the Capital Region be approached initially on an incremental basis with agreements between two or more municipalities providing a basis for gradual acceptance of the concept? Or, should tax sharing be introduced on a region-wide basis as was done in the Twin Cities?

- What tax sources should be used to generate the pool of revenues to be redistributed? Will "tax effort" (the extent to which a jurisdiction uses available tax sources and the level at which the jurisdiction levies taxes) be built into the formula for calculating entitlements? Should there be provincial financial participation in the program through the granting of a share of current provincial taxes, such as sales tax?

- Should there be a direct connection between the revenue source chosen and the aims of the tax-sharing program?
- What percentage of a particular tax source should be designated for tax-sharing purposes? What are the anticipated total revenues to be generated and how does this amount of money compare with the purpose(s) of the program?
- Should tax sharing serve a single, clearly designated purpose such as enhancing the competitiveness of the region through infrastructure projects, supporting cultural institutions (museums, zoos, art galleries, etc.) lessening financial disparities among governments, or others?
- Who should control the distribution of revenues from any tax-sharing revenue pool? On what basis should the revenues be redistributed to the participating governments?
- How should tax sharing relate to service sharing among local governments within the Capital Region? If surrounding municipalities and/or their residents pay "full cost" for access to services provided by the City of Winnipeg, does this lessen the need for tax sharing?
- How will issues of public understanding and accountability be addressed?
- What are the procedures for modifying or terminating the program? Should there be an in-depth evaluation of the experience after a fixed period—perhaps five years?
- Is there a role for incentives provided by the province—for example, the offer of a small percentage of an existing provincial tax in order to promote regional cooperation?

The RPAC recommends that:

8.1 Consistent with the RPAC's endorsement in principle of service sharing, the Government of Manitoba fund a service-sharing study to examine the collaborative arrangements that now exist in the Capital Region, the nature of the arrangements, their legal status, the financing arrangements, possible provincial incentives and assistance, other possible areas of service sharing, and the perceived obstacles to further regional collaboration. The final report prepared for the committee should be a public document.

8.2 Consistent with the RPAC's endorsement in principle of tax sharing, the Executive Committee of the Partnership of Manitoba Capital Region Governments should carry out a study on the potential uses of tax sharing within the Capital Region. The final report prepared for the committee should be a public document.

Chapter Nine

Provincial-municipal financial relationships

The financial circumstances of local governments, particularly those of larger cities, have received a great deal of national attention in the last few years. This chapter examines the Manitoba situation with a particular focus on the City of Winnipeg, within the context of the Capital Region. This is a complicated and controversial topic. However, if the ultimate goal is to create a Capital Region Policy Plan, the RPAC had to address the legislative authority and financial capacity that the Manitoba Legislature has granted to the Capital Region municipalities. This chapter examines these issues from a comparative perspective and concludes that the Government of Manitoba has been relatively generous compared with other provincial governments in terms of transferring both powers and money to local governments. Since there is no simple way to find and maintain the appropriate balance between power and money, this subject deserves continuing study to take account of changing circumstances.

Representatives of the Capital Region municipalities identified four related funding issues during the RPAC consultations. The first was the gap between the expenditure obligations of local governments and their revenue raising capability. The City of Winnipeg was particularly insistent on its need for alternative revenue sources beyond property taxes and user fees of various kinds. The second concern was that the increasing reliance upon property taxes puts pressure on local governments to pursue residential, commercial, and industrial developments without sufficient regard for the long-term implications in terms of region-wide planning, infrastructure provision, service delivery requirements, and environmental impacts. The third concern was that the provincial government had not been sufficiently generous in its financial transfers or in allowing local government access to new revenue sources. Moreover, some complained that budgetary cutbacks, and reductions in service levels within the provincial government (such as on the maintenance of drains by Manitoba Conservation) have at times forced local government to pick up the slack.

A fourth concern is the Education Support Levy, a province-wide property tax that is levied by the Province and used to fund local school divisions. It is seen as an example of the Government of Manitoba occupying one of the major levels of taxation available to municipalities. In 2002 the Government of Manitoba announced a five-year plan to phase out the Education Support Levy on residential property taxes.

In reporting these concerns, the RPAC does not endorse them in all respects. The provincial government's financial capacity to provide additional municipal funding is limited both by taxpayers' ability and willingness to pay and competing priorities such as health and education. This is particularly true in the case of a provincial government in a "have-less" province with a balanced-budget law requiring that deficits be avoided and that personal and corporate income taxes or sales tax increases be approved through a referendum. Economic and financial challenges (as well as a reduction in citizen tolerance for increased taxation) during the 1990s required the provincial government to reduce or to severely restrain its spending in a number of public policy fields. In part because provincial law did not allow them to run deficits, municipal governments across Canada were in comparatively better financial condition than senior levels of governments. The financial position of provincial governments was eroding because provincial programs, such as health and social services, were subject to increased demands and escalating costs to a greater extent than most municipal programs.

The RPAC recognizes that the financial relationships between the provincial government and local governments are varied, complicated, dynamic, and controversial. Not surprisingly, it is risky to offer an analysis and recommendations on this topic. However, failure to address these issues would rob this report of some credibility. The RPAC hopes that the following analysis adds to the understanding and ongoing debate on this important topic.

THE BACKGROUND

The three main sources of revenues for municipal governments are property taxes, user fees, and financial grants and transfers from the provincial government, with occasional financial contributions from the federal government to support such measures as infrastructure improvements and housing. Working with countrywide data (usually from Statistics Canada), many commentators have argued that during the 1990s there were significant reductions in financial transfers from the provincial and federal governments to local governments. At the same time, a number of provincial governments shifted program responsibilities to local governments without granting them commensurate new taxing authority. The combined impact of these trends, it was often argued, was to place financial stress on local governments, forcing them to increase property taxes and user fees. Out of these circumstances emerged a renewed campaign by municipal associations and others to strengthen the case for additional financial resources for local government. What began as an argument to improve the financial position of local governments was eventually broadened to revive calls for more freedom from provincial rules and controls.

Emerging principles in provincial-municipal financing

Reviews of municipal powers and finances have taken place in most provinces during the past decade. The approaches to the realignment of service responsibilities and the financing of municipal governments have varied significantly. For example, in Ontario earlier, and more recently in British Columbia, provincial governments, at least according to their critics, transferred important responsibilities to the local level without commensurate new financial powers. In contrast, in Manitoba there were examples of the provincial government assuming control over what were previously municipal responsibilities. Given the diversity of approaches, it is difficult to draw generalizations about trends in provincial-municipal relations. However, the following principles have been prominent in all recent reports on provincial-municipal relations:

- It is time that municipal governments were recognized as mature and responsible governments in their own right and accordingly there is less need for the past restrictive approaches to the granting of legal powers within municipal statutes.
- Municipal governments should have a strong role in relation to hard services (water, sewer, roads, etc.) while the provincial government should have a strong role in the provision of soft services (health, social assistance, and education).
- To the greatest extent possible there should be disentanglement of the activities of the two levels of government so that the government making the spending decisions should also have the responsibility for funding that service.
- To the greatest extent possible there should be an appropriate balance between service responsibilities and the financial resources available to support those responsibilities.

These four principles of provincial-municipal relations have been reflected to a significant extent in developments within the province of Manitoba during the past decade. Each of the four principles will be discussed briefly in turn.

The first principle of treating municipalities as responsible and accountable entities was reflected in the replacement of outdated legislation with new, modern legislation. A new *Municipal Act* came into force on January 1, 1997, while the new *City of Winnipeg Charter* came into force January 1, 2003. Both pieces of legislation moved in the direction of granting local governments additional authority with less provincial supervision of their actions. These changes recognized the need to treat local governments as mature organizations that can be counted upon to be responsive and accountable to their own electorates and less answerable to the provincial government.

The Municipal Act changes gave municipal councils the authority to pass by-laws in fourteen spheres of jurisdiction. Manitoba's municipalities were given powers to spend, provide services, regulate, license, and take enforcement actions in more general terms than in the past and the courts were instructed to interpret these powers broadly. Previously, the law presumed that without an explicit grant of authority, municipalities lacked the power to undertake particular actions.

The 2003 *City of Winnipeg Charter* followed this pattern, granting the City of Winnipeg broader authorities. This was the first phase in a process designed to provide the City with more autonomy and financial flexibility. To recognize the City as a mature and responsible level of government, *The Charter* consolidated powers into fourteen broad categories. In addition, the City's corporate powers to carry out its daily operations were granted in law by means of a "natural person powers" clause.

Natural person powers provides the City of Winnipeg with essentially the same legal powers as other corporations or persons to conduct their day-to-day business without the need for specific administrative authority to be spelled out in *The Charter for* every activity. Previously, these corporate powers were specified in great detail and were scattered throughout *The Act*. The change streamlined the authorizing legislation and gave the City greater flexibility to carry out its corporate responsibilities. *The Charter* also removed several of the previous requirements for provincial approval. In summary, the City of Winnipeg gained clearer authority in fields like economic development, neighbourhood revitalization, and the conduct of its own activities, on both the political and administrative levels of government.

The second principle of provincial-municipal reform calls for the assignment of "soft services" to the Province and "hard services" to the local level. Hard services are those provided directly to property (water, sewer, roads, etc.) whereas "soft services" are directed to people and have broader benefits (such as social assistance, health, education, etc.) This second principle makes sense in general terms, but not all services fit neatly or exclusively into one of the two categories.

The Government of Manitoba has assumed more responsibility for the delivery and financing of softer services, for example, by taking over public health and social assistance in the City of Winnipeg. The provincial assumption of responsibility for social assistance involved a continued obligation on the part of the City of Winnipeg to share in the costs of the program. This feature of the revised arrangement remains a source of some disagreement between the City of Winnipeg and the Government of Manitoba. Still, the shift to the provincial level contrasted with developments in other provinces—such as Ontario and British Columbia—where, according to local authorities, a downloading of major program responsibilities from the Province to the municipalities took place without adequate financial compensation. In those provinces there has been widespread debate about the strain on municipal budgets and the requirement to increase property taxes and user fees to finance the new responsibilities forced upon local governments. This pattern contrasts with Manitoba where the provincial government has taken over important public policy responsibilities and has also granted municipalities more financial flexibility.

The third and fourth principles of provincial-municipal reform call for clarity and balance in the assignment of taxing and spending powers so that voters can hold both levels of government accountable for their budgetary actions. Again, the RPAC agrees with this principle. However, because of the interdependence among governments in terms of both their actions and the impacts of those actions, there are significant limits to how far these principles can be upheld in practice. This is evident in the discussion of tax and service sharing in the previous chapter.

The complexity of the financial relationships reflects historical developments, the varied service needs and the differing financial capabilities of the nearly 200 municipalities in Manitoba. There is, for example, a vast difference between the wide range and greater complexity of the program obligations of the City of Winnipeg compared with a rural municipality. Not surprisingly, given its more expensive program obligations, the City of Winnipeg has been the most vocal among local governments in calling for greater access to revenue sources other than property taxes and user fees. The City of Winnipeg buttressed its case for increased access to various revenue sources with references to both the number of recreational and cultural amenities that it owns and operates, such as the Pan Am Pool, the Winnipeg Arena, and the Susan Auch Oval, and the arts and cultural organizations that it supports through grants from the Winnipeg Arts Council. These are examples of spending that benefit the Region and the Province.

Perfect balance between expenditure obligations and the revenue raising capabilities of local governments will never be possible. Even if an approximate balance were achieved, it would become outdated as circumstances changed. The real issue is how best to generate and to allocate scarce financial resources among competing public purposes whether these matters are in the provincial or municipal field. The most appropriate way to do this in a manner consistent with the principle of democratic accountability is through the political process. Once set, taxing and expenditure priorities will change over time as circumstances and public demands change.

Also, the use of provincial grants to local governments to achieve particular public policy aims defined by the provincial government as serving the public interest, represents a legitimate and valuable form of policy leadership, especially if the purposes, sources and impacts of such spending are made public.

CURRENT ARRANGEMENTS IN MANITOBA

The RPAC will not attempt to describe and assess all of the financial arrangements between the provincial and municipal governments because they are many and varied. Instead, only the key features of their financial relationships will be highlighted. Provincial decisions on grants are made on an annual basis, but some transfers have acquired a high degree of permanence and predictability over the years. In recognition of some of the unique challenges facing a large urban centre and its wider range of responsibilities, grants and transfers to the City of Winnipeg are somewhat different from the arrangements elsewhere in the province. Outside of Winnipeg, the provincial government has different financial arrangements for local governments, again in recognition of the different size and circumstances of the municipalities.

Provincial-Municipal Tax Sharing

Probably the most notable feature of the Manitoba situation is the 1976 *Provincial-Municipal Tax Sharing* (PMTS) *Act. The PMTS Act* is unique in the country because it provides municipal governments with direct access to the so-called "growth taxes" of provincial, personal, and corporate income tax. This means that the municipalities gain financially from growth in the provincial economy. Because the PMTS transfer is unconditional, municipalities are free to spend the money on municipal services and programs as they choose.

The RPAC believes that the PMTS approach to fiscal sharing is commendable and congratulates the Government of Manitoba for providing unconditional funding to municipalities based upon the levels of growth experienced by the Province as a whole. As mentioned, Manitoba is the only province to share revenues in this manner. The mayors of Canada's major cities have included tax sharing as part of their campaign for new revenue sources. A major study for the Toronto-Dominion Bank also identified tax sharing as the key to the financial well-being and competitiveness of Canada's cities. There has been almost no recognition in these public debates that a working model of vertical provincial-municipal tax sharing already exists in Manitoba.

The allocation of the PMTS payments between the City of Winnipeg and other municipalities is based upon an agreement last negotiated with municipal associations in 1992. During the ten-year period between 1992 to 2002, total PMTS payments increased by approximately 75 per cent. Winnipeg receives approximately 57 per cent of the total PMTS payment; which represents the same share of PMTS funding that it received in 1992, adjusted to reflect population changes. Outside of Winnipeg, PMTS payments are allocated on a differential per capita basis; municipalities more rural in nature and not providing their own policing services receive a basic, per capita amount, while more "urban" municipalities, which provide their own policing, receive a per capita payment four times the basic rate.

The RPAC is not recommending changes to *The PMTS Act*, which has become an accepted part of provincial-municipal relations in Manitoba. It recognizes in a tangible way that all communities contribute to the economic prosperity of the province and should share in the rewards on an equitable basis. Since a decade has passed since the PMTS formula was last examined, the Government of Manitoba should consider a review of both the percentage of the taxes allocated and the equity of the formula for developing the payments between the City of Winnipeg and other municipalities, as well as the allocation among municipalities outside of Winnipeg. Any review should be done in consultation with all the parties to the current agreement.

Video Lottery Terminals

A second unconditional payment made to Manitoba municipalities involves the sharing of video lottery terminal (VLT) revenues. The Government of Manitoba provides the City of Winnipeg and all other local governments ten per cent of the net proceeds from VLTs within their territory (with the exception of VLTs in casinos). All municipalities (with the exception of Winkler, which has chosen not to accept the payments) receive VLT transfers, regardless of whether VLTs are in their communities. The Government of Manitoba uses an additional 25 per cent of the net revenues from VLTs to fund the Urban Development Initiatives (UDI) fund and the Regional Economic Development Initiative (REDI) fund.

VLT unconditional payments were introduced outside Winnipeg in 1993/94 and to Winnipeg in 1994/95. Since 1994/95, VLT payments to Winnipeg have increased 35 per cent. The only other province that shares VLT revenues with its local governments is British Columbia.

Conditional Grants

In addition to these two major unconditional transfers, conditional grant programs tied to particular public policy purposes operate in a wide range of fields, involving provincial financial support to the capital and operating expenses of local governments. Grants support streets, roads, bridges, water and water treatment, sanitary and storm sewers, economic development, transit, and Dutch Elm Disease control. Conditional operating grants are small compared with capital grants. There is always municipal-provincial consultation around the designation of capital projects so that priorities are usually determined jointly.

Tax increment financing

In addition to providing broader authority, *The City of Winnipeg Charter* grants the city more flexibility in financing its operations. An example of such flexibility is the introduction of tax increment financing (TIF) to enable the City of Winnipeg to finance the revitalization of designated areas. TIF is common in the United States; it is now authorized in 47 states and is most frequently used in California, Colorado, Florida, Indiana, Illinois, Minnesota, and California. Although the state government sets TIF rules, it is the city government that designates a TIF district for redevelopment. Usually the district has to meet some state-mandated criteria of distress (such as property abandonment, age of housing stock, or building code violations), but in some states it is sufficient that the additional spending in a district (the TIF subsidy) will encourage development, create jobs, or increase the tax base.

Under a TIF program two streams of tax revenues are identified within a designated district. The first stream, which represents the original property values before redevelopment, continues to go to the city's general revenues as before. The second stream consists of the increase in tax revenues resulting from new development and higher property values within the district. These additional revenues–the so-called "tax increment"–gets paid into a special fund to subsidize the redevelopment taking place in the TIF district.

TIF is versatile: it can pay for land acquisition, infrastructure improvements, the rehabilitation of buildings, planning expenses, and the clean-up of contaminated areas. TIF is credited with turning around neighbourhoods in Chicago, St. Louis, and Pittsburgh. As with any economic development and planning tool, TIF has its limits and critics, but it offers cities the flexibility to address the problems of distressed areas within their community.

Under *The City of Winnipeg Charter*, the City of Winnipeg became the first local government in Canada empowered to reinvest some of the taxes raised in a local neighbourhood back into specific areas. City Council is authorized to establish a TIF zone or district. It can direct any additional property tax revenues generated from development to economic and social issues faced by the district. The money can be used as grants, loans, or subsidies to encourage construction, renovation or rehabilitation, to improve infrastructure, and to pay for planning expenses. TIF can support economic growth and employment, benefiting residents, and businesses. The tax increment financing program would be established by City Council passing a by-law to designate the specific area and the tax arrangements. There are limits to the potential of this financial instrument given that it depends on the community's ability to raise the money locally.

Percentage of assessed value applied to property classes

The *Charter* provided further financial flexibility by allowing the City of Winnipeg to pass a by-law to vary the percentage within the prescribed range of assessed value applied to property classes to determine portioned values for property taxation. This tool, which can be used to address property tax issues, is unique to the City of Winnipeg. This new flexibility was not intended to add to the taxing authority of the City. The Government of Manitoba must adopt a regulation that would define the range within which the City could vary portions of the total taxes among different classes of taxpayers and prescribe the classes of property to which it applies. Also, under the *Charter*, the City of Winnipeg is granted broader authority to charge and to spend money raised from frontage fees. This will enable the City to link infrastructure charges (for services such as water and sewer mains, street and sidewalks, and lighting) to property-related services in a way that is transparent to citizens.

Grants-In-Lieu of Property Taxes

The issue of grants-in-lieu of taxes inevitably arises when the topic of municipal finances is under review. The issue is technical, complicated, and sensitive because it involves money and divergent perspectives on fairness in property taxation when the properties of governments are involved.

The principle behind grants-in-lieu of taxes is that the Crown (the ultimate source of authority under our Constitution) cannot be subject to taxation without its permission. The principle that the Crown is immune from taxation has long been recognized in court rulings, but the application of the principle remains controversial. The Government of Canada and provincial governments have adopted by statute or by policy the practice of paying grants-in-lieu of property taxes for lands and structures located within individual municipalities. In some cases, tax-exempt properties can represent a significant amount of the potential total property assessment of an individual municipality.

In most cases, the Government of Manitoba pays full grants-in-lieu of taxes on properties it owns within all municipalities, including the City of Winnipeg. Grants-in-lieu of taxes are equivalent to the municipal taxes payable if a private individual owned a property. In effect, the province is reimbursing municipalities for services (such as infrastructure, police, and fire protection) extended to provincial lands and properties. However sometimes the provincial grants are not the full amount, while in other cases an exemption continues to apply.

The Rural Municipality of Springfield brought to the RPAC's attention the fact that, until recently, both the Red River Floodway and Bird's Hill Provincial Park were exempt from assessment and taxation altogether. By the municipality's calculation, this represents an annual loss to Springfield of approximately $117,000. Two reasons might be presented in support of the exemption of these two provincial properties. First, Bird's Hill Provincial Park represents a valuable regional, and even provincial, recreational asset, which provides benefits to all Manitobans, including residents of the Rural Municipality of Springfield. To ensure affordable access to the Park, it might be appropriate as a matter of public policy not to apply property tax to its operations since it is not a true commercial venture. Secondly, both the Park and the Floodway have few significant municipal service requirements. It might also be a relevant consideration that the Rural Municipality of Springfield has the highest per capita assessment among the Capital Region municipalities. Springfield could appeal the tax-exempt status of these properties in the courts, but this could be a costly and futile way for the municipality to proceed.

There is also an issue related to grants-in-lieu of taxes involving property of the City of Winnipeg located within other municipalities. Section 333 of *The City of Winnipeg Charter* provides preferential tax treatment of city properties located in neighbouring municipalities by exempting them from property taxes, including school taxes and license fees. Though the City may pay a grant-in-lieu of taxes, this is not a requirement. The former *City of Winnipeg Act* provided a similar exemption. Such treatment is not consistent with *The Municipal Act,* which requires that land owned by a municipality located in another municipality be subject to full taxation unless the municipalities agree otherwise. Provincial officials explained to the RPAC that the issue of harmonizing the provisions of the two Acts raised broad public policy questions (such as the appropriate tax treatment of parks and utility right of ways) that were beyond the scope of the recent of *The City of Winnipeg Act* review.

As noted above, the City of Winnipeg may enter into an agreement with a municipality to pay a grant-in-lieu of taxes. The City currently does not pay grants-in-lieu of taxes on the following parklands and potential parklands that it owns in neighbouring municipalities:

- La Barriere Park in the Rural Municipality of Ritchot
- Little Mountain Park in the Rural Municipality of Rosser
- John Blumberg Golf Course and Athletic Complex in the Rural Municipality of Headingley
- farmland in the Rural Municipality of West St. Paul

A case can be made for their current tax-exempt status. The parks are not true commercial ventures (there may be modest revenues to the City in some cases), they provide recreational benefits to residents of the entire region, their direct service requirements are met by the City, and they do not occupy a significant portion of the territory of the "host" municipalities.

The City of Winnipeg pays full grants-in-lieu of taxes on the following properties:

- vacant land and quarries in the Rural Municipality of Rockwood
- drainage infrastructure for Summit Road landfill and part of road in the Rural Municipality of Rosser
- the old ash dump and the sludge beds in the Municipality of West St. Paul
- Lyndcrest Airport, reservoir expansion land, Transcona Cemetery, gravel pits, and tree farming property in the Rural Municipality of Springfield

It is appropriate that the City of Winnipeg pay grants on these properties either because they directly serve the city's infrastructure needs or they have some commercial value.

The final set of City properties involves the Greater Winnipeg Water District (GWWD) operations. As part of the city's water system, railways and aqueduct rights of way, storage reservoirs, and gravel pits are located in the rural municipalities of Springfield, Taché, and Reynolds. Under the 1970 *City of Winnipeg Act,* the City was required to pay a small fixed grant on the GWWD properties. As a result of legal action by the three host municipalities in 1989, the City agreed to increase its grants to approximately ten per cent of the actual taxes. This agreement replaced the statutory fixed grants. Recently, the three host municipalities have demanded full grants-in-lieu from the City of Winnipeg.

The Rural Municipality of Springfield is the most adversely affected by the City's limited tax liability. In its submission to the RPAC, it claimed that on the Deacon Reservoirs, the City paid annually just over $105,000 whereas the full tax liability would be just over $1 million. Similarly, on the GWWD railway properties Springfield claimed an annual property tax loss of nearly $250,000. Over a number of years these foregone revenues can add up to a significant amount of money. The RPAC is not in a position to confirm the accuracy of these calculations.

As with most situations where interdependent communities must co-exist, there is another side to the issues surrounding the GWWD. Firstly, the GWWD has been in existence since 1913 and therefore its property has been subject to preferential tax treatment for ninety years. Secondly, the GWWD properties have nominal service requirements from host municipalities. Thirdly, the GWWD railway is not a commercial carrier; its main purpose is to transport water treatments, materials, and employees to support the operation and maintenance of the aqueduct infrastructure. Fourthly, all funding for the maintenance and operation of the aqueduct is derived from the water rate. Finally, applying the full grant-in-lieu principle to the GWWD properties would add significantly to the tax base of the three host municipalities, especially the Rural Municipality of Springfield, which already has the highest per capita assessment among the Capital Region municipalities. A provincial government has to pay some attention to the comparative capacity of municipalities to raise revenues. Finally, the issue of grants for the railway and aqueducts is part of the larger issue of the most appropriate assessment and taxation treatment of utilities and right of ways (such as hydro and telephone lines). Governments are struggling with this issue across the country. There are difficult technical problems involved with finding an assessment methodology appropriate for utility distribution systems like the GWWD, as will as ensuring a "level playing field" for all in the industry.

The RPAC has not had the time and the capacity to conduct an in-depth analysis of all the issues involved with grants-in-lieu of taxes, especially given the variety of different kinds of properties involved. Therefore, the RPAC's observations on this sensitive and technical topic are general in nature. Firstly, the issue is important enough, both in terms of the money involved and the disputes that arise, to justify further study and discussion among the affected governments. Secondly, the Government of Manitoba should study the implications of harmonizing the requirements for grants-in-lieu in *The City of Winnipeg Charter* and *The Municipal Act*. Thirdly, all governments should examine and discuss the principles and practices of the assessment and taxation of various kinds of government-owned properties serving different public policy purposes. The issue of the potential indexation of fixed, statutory grants-in-lieu to some measure of their service requirements might also be reviewed.

Fourthly, there needs to be an analysis of whether host municipalities are on balance favoured or disadvantaged by the presence of tax-exempt properties within their territory. The Rural Municipality of Springfield seems to represent a special case because of the number of federal, provincial and City of Winnipeg properties found within its boundaries.

Fifthly, the City of Winnipeg pays grants-in-lieu on the majority of its properties located in outside municipalities. But there remain sensitive issues related to the GWWD properties that still need to be addressed as part of the broader process of building regional understanding and collaboration that is recommended in the Report.

Finally, the RPAC wishes to observe that some of the proposals recommended in this Report can contribute indirectly to reduce conflict over grants-in-lieu. The Partnership of Manitoba Capital Region Governments will provide a forum to discuss the issue. The availability of the dispute resolution mechanism will provide a voluntary and "privileged" (in a legal sense) place to work out disagreements without necessarily having to go to court. Progress on intermunicipal service sharing, especially between the City of Winnipeg and its immediate neighbours, will remove a factor which irritates discussions over grants-in-lieu. Intermunicipal tax sharing, as recommended in Chapter Eight, could provide a means to compensate a municipality which may be disadvantaged by the fact it is home to regional parks and utility distribution systems. Hopefully, as regional understanding, trust, and collaboration grows, sensitive issues like grants-in-lieu can be approached more analytically than on the basis of blaming and court actions.

Planning Commission

The City of Winnipeg is authorized to establish a Planning Commission with panels focused on the whole or parts of the city as the basis for a clearer and more expeditious planning process. In summary, the combination of additional authority and more flexible financing arrangements gives the City of Winnipeg the authority and accountability to address community development issues in the way it considers the most appropriate.

Can a balance sheet be drawn up?

The RPAC was challenged during its hearings to provide, in effect, a balance sheet on who pays and who benefits from provincial (and to a lesser extent, federal) spending taking place in the Capital Region. The RPAC's views on this question are dealt with in detail in Chapter Twelve, but it is worth noting here that any attempt to account strictly for where public funds are raised and spent is analytically difficult, if not impossible, and bound to be highly controversial. Moreover, an approach to regional matters that is focused primarily on identifying "winners" and "losers" from the taxing and spending decisions of all levels of government will not contribute to the strong regional collaboration necessary for both the economic prosperity and quality of life of the Capital Region's residents.

NEXT STEPS

The Mayor and the Council of Winnipeg welcomed the changes flowing from *The City of Winnipeg Charter*. The changes represent the first phase in a process intended to enhance the capacity of the City of Winnipeg to respond as a mature, accountable government to the challenges and opportunities it faces. In the second phase of the process, the Province and the City will jointly review models of city governance to ensure the City has the tools it needs to remain vibrant and competitive into the future.

The City of Winnipeg is seeking more diverse revenue sources to enable it to fulfill a broader range and more complex set of municipal responsibilities than existed at the time when the property tax was adopted as the main source of city revenues. Winnipeg's Mayor has led a lobbying campaign by Canada's big-city mayors to obtain revenue generating authority and/or access to new funds from the federal government to deal with such problems as crumbling infrastructure and homelessness. Over the years, the Mayor and City Councillors have called upon the Province to grant access to new taxes, such as gas and other specific taxes. The City of Winnipeg has also identified a number of issues that underscore its contention that it has yet to be fully recognized as a mature and responsible government. These include the Government of Manitoba's exempting certain arts, cultural, and educational institutions from property tax. The City has expressed concern about both the loss of revenue and the level of consultation surrounding the decisions. These exemptions have, in the City's opinion, compromised its tax base.

The RPAC offers for the purpose of public debate, the following analysis of the City's case for new funding sources. The City of Winnipeg is alone among major Canadian cities in receiving an unconditional share of provincial personal and corporate income taxes. Subject to approval by the provincial cabinet, the *PMTS Act* also allows the City of Winnipeg to levy a hotel tax, subject to provincial regulation. Only in British Columbia, does a provincial government share VLT revenue with municipalities in the way that Manitoba does. The City has also been granted Tax Increment Financing (TIF) frontage levy and tax portioning adjustment authorities under the *Charter*. A January 2003 report showed that Manitoba was one of only three provincial governments that invested directly in both the capital and operating expenses of urban transit systems (Canadian Urban Transit Association, 2003). The City of Winnipeg has also been granted Tax Increment Financing, frontage levy, and tax portioning adjustment authorities under *The Charter*. The Government of Manitoba has played an important role in creating and funding the significant bilateral and trilateral revitalization initiatives in Winnipeg's commercial downtown and inner city neighbourhoods. It must also be remembered that Manitoba is a "have-less" province that relies significantly on financial transfers from the federal government. As noted earlier, the provincial government must conduct its budgetary policies within the requirements of a balanced-budget law and the wider political context of public resistance to new taxes of any kind.

When all these factors are considered, it appears to the RPAC that the Government of Manitoba has been relatively generous in its financial assistance and other forms of support to municipalities compared with other provinces.

During most of the 1990s slow revenue growth and earlier costly capital spending decisions put a severe strain on the City of Winnipeg's operating budget. The City increased its property taxes, making them among the highest in the country. Money for capital projects was scarce and the City drew upon its financial reserves. In response the bond rating agencies, on which the City depended to borrow money at favourable rates, downgraded its rating. High property taxes, the lack of infrastructure spending and mounting social problems were blamed by many for advancing the deterioration of the downtown business core and contributing to the movement of people to the suburbs and the communities outside of Winnipeg. City Council and other stakeholders concluded that this reinforcing cycle of decline had to be halted. In response, *Plan Winnipeg 2020 Vision*, a long-range policy plan adopted by

City Council, recognized that, with modest economic growth, compact urban development and inner city revitalization had to be a priority. Beginning in 1998, the City of Winnipeg embarked on a multi-year program to reduce both property taxes and spending. Winnipeg also became, on a per capita basis, one of the lowest cost city governments in the country. These improvements and significant replenishment of its reserves caused credit agencies to upgrade the City of Winnipeg's ratings (Kitchen, 2003).

Even though it has placed itself on a path to long-term fiscal sustainability, the City of Winnipeg argues that it needs access to additional revenue sources to meet pressing infrastructure requirements and expensive service obligations.

A NEW DEAL FOR CANADIAN CITIES?

The national campaign for a new financial deal for Canadian cities has gained momentum in recent years. The case for broadened tax sources is based not only on the financial strain that cities are experiencing, but also on the contribution that a more diversified revenue stream would potentially make to the economic competitiveness of Canadian cities. A study prepared for the Canada West Foundation reported that, when compared with similar American cities the six western Canadian cities examined were more heavily dependent on residential and business property taxes (Vander Ploeg, 2002). The study noted that these US cities had access to a wider range of taxes and other revenue sources. According to the study, cities that rely more heavily upon property tax revenues may be at a disadvantage because increases in these tax revenues typically lag behind economic growth and inflation. It also suggested that property taxes were least able to capture revenues from non-residents who impose significant demands on infrastructure and facilities. A more balanced tax regime, the study concluded, would offer not only fiscal relief, but also enhance the economic competitiveness of western Canadian cities:

> ...It is important to recognize the competitive benefits that accrue from a diversity of tax tools and revenue levers. No single tax is entirely fair or neutral with regard to investment patterns, economic distortions, or decisions about location and business input. Nor is every tax equally suited to generating a predictable, stable and growing stream of revenue. No single tax source is equally suited to compensating for the costs of inflation, capturing local economic growth, or controlling the problems of 'free riding' that inevitably result from more and more people filling the beltways around large cities. (Vander Ploeg, 2002. p. 29)

These are important arguments that require more detailed analysis than can be provided here. However, because the Canada West Foundation study has generated considerable comment, a number of brief observations are warranted.

First, there is no rigorous analysis and agreement among economists on how the mix of taxes used by city governments affects their ability to compete. Second, the greater reliance by local governments in the United States on income, sales, and other taxes reflects, in part, the adoption of tax and expenditure limit laws (so-called TELs) in 46 states. TELs place various kinds of limits on the use of property taxes and were part of the tax revolt that began in California during the

1970s. Their adoption forced cities to move into new tax fields, not necessarily because of a public policy decision that revenue diversification would enhance their economic competitiveness. (Advisory Commission on Intergovernmental Relations, "Tax and Expenditure Limits on Local Governments" March, 1995.) Third, in Manitoba, *The PMTS Act* already recognizes the desirability of municipal participation in economic growth through the transfer of earmarked portions of the two income taxes. As mentioned earlier, Manitoba is the only province to share the growth taxes with its municipalities.

QUESTIONS THAT NEED TO BE ANSWERED BEFORE TURNING OVER MORE TAXING POWER

The RPAC recognizes that there is a host of legal, financial, administrative/technical, and political questions which must be asked and answered before the provincial or federal governments would turn over additional taxes or new taxing powers to the municipalities. Examples of some of the questions that must be answered are:

- How does public support for new municipal taxes and the expenditure priorities of the municipal level of government compare to public support for taxing and spending at the provincial level?
- What type of tax best fits with the purposes and functions of local government?
- What is the experience of other jurisdictions sharing such taxes as fuel, hotel, and sales taxes?
- Should municipalities be given a share of existing tax revenues collected by the provincial or federal governments (e.g., sales or gasoline tax)? Under what circumstances?
- If a share of an existing provincial or federal tax is transferred, should the revenues be earmarked for specified purpose (e.g., a percentage of fuel tax to support transit or roads)?
- Depending upon the tax source selected, will there be a requirement for discussion with the Government of Canada?
- In its current and anticipated future financial circumstances, can the Government of Manitoba afford to grant access to additional tax revenues, from whatever source, and still live within the confines of the balanced-budget law?
- Should the provincial or federal governments increase existing taxes (e.g. income, sales, gasoline) in order to make more revenues available to the municipalities? Will it hurt the competitive position of the Province to increase the overall tax burden in this way?
- What percentage of tax from a particular tax source (e.g., gasoline, sales) would be necessary to generate sufficient revenues to make a difference?
- Should additional tax authority be granted only to the City of Winnipeg or to all municipalities?
- Is it better for the City of Winnipeg and other municipalities to be heavily dependent on property taxes, but be relatively free (compared with their American counterparts in the Canada West study) to set their own rates and to decide the use of their revenues?
- Have the City of Winnipeg and other municipalities done all that they could do to use existing revenue mechanisms (e.g., user

fees) creatively and to ensure the economy and effectiveness of their own spending?

The RPAC recognizes that these are only a few of the difficult questions that would need to be answered. There is no magical solution–no fiscal rabbit to be pulled out of a hat. Ultimately there is only one tax base, and most taxpayers do not favour increased taxes at this time. A consensus on public spending priorities and how to finance them should be sought. In this process, there may be greater clarity in terms of jurisdiction achieved and administrative efficiencies might be achieved.

The provincial government has committed itself to further discussions of the role of the City of Winnipeg and whether it requires new responsibilities and revenues to pursue a broader mandate in the future. Fulfillment of this commitment will require more in-depth investigation of the issue of new types of provincial-municipal tax sharing. The issue will also likely arise in the context of a joint study of intermunicipal tax sharing which was recommended earlier in the previous chapter. This should be a priority area for analysis by the relevant provincial departments.

The RPAC recommends that:

9.1 The Partnership of Manitoba Capital Region Governments commission a review of grants-in-lieu of municipal taxes that examines, among other matters:
  - the principles and practices of the assessment and taxation of various kinds of government-owned properties serving different public policy purposes
  - indexation of fixed, statutory grants-in-lieu to their service requirements
  - an analysis of whether host municipalities are on balance favoured or disadvantaged by the presence of tax-exempt properties within their territory

Chapter Ten

Dispute resolution among municipalities

While the number of intermunicipal disputes in the Manitoba Capital Region is not large, such disputes can leave a legacy of animosity and distrust between jurisdictions if they are not resolved quickly and effectively. As the 1999 Capital Regional Review Panel noted, Manitoba has no effective structure and process to permit more intermunicipal discussion and the mediation of cross-boundary disputes. Alternative dispute resolution (ADR) mechanisms are gaining popularity throughout North America as a means to resolve intermunicipal disputes over land use, service sharing, amalgamations, financial issues, and other matters. For these reasons, the RPAC is recommending that the Government of Manitoba establish a formal alternative dispute resolution mechanism for intermunicipal disputes.

INTERMUNICIPAL DISPUTES

The issue of dispute resolution arose during both the RPAC's meetings with municipal representatives and the Committee's public meetings. In general, the number of intermunicipal disputes is not large. Disagreements over the actual or potential impacts that land-use decisions made in one municipality have on an adjacent municipality arise periodically, as do issues of service sharing and annexation. In most instances these issues are resolved through discussions between the municipalities affected. Prolonged disputes leading to a deterioration of relationships among neighbouring municipalities are rare, especially among the municipalities outside of Winnipeg.

Unfortunately, relations between the City of Winnipeg and its immediate neighbours have been more contentious than is desirable. Long-standing disputes have given rise to mutual misunderstanding, a lack of trust, and a lack of commitment to work together. The varied issues include the location of the city's sludge beds, access to city services, industrial activity in adjacent municipalities that impacts on city residents, and competition for commercial activity.

Given Winnipeg's size and importance to the Region, it is inevitable that the majority of the disputes that arise within the Manitoba Capital Region involve the City of Winnipeg and the municipalities immediately adjacent to it. As the governments involved strive to achieve stronger economic growth, lower property taxes, and a higher quality of community life, tensions and irritations can arise. This reflects the dynamic and highly interactive nature of the Region. Blaming and finger pointing serve no one well. Positive policy initiatives would provide the basis for harmonious relationships and channel the inevitable conflicts in a positive direction is required for the Region to achieve the cohesion and collaboration needed to achieve enhanced economic prosperity and improved quality of life.

IMPROVING COMMUNICATION

Better communication among Capital Region governments can increase understanding and trust. Facts can be brought to the attention of the other party at an early stage before conflict escalates, emotions rise, and divisions deepen. The RPAC is making a number of recommendations elsewhere in this Report intended to improve communications among all governments involved with Capital Region matters. Principal among these recommendations is the creation of the Partnership of Manitoba Capital Region Governments.

A small, but helpful step towards better relations among governments would be the formal designation of an intergovernmental liaison person for each government and the compilation of a list of these contacts. The political leaders of municipalities are the mayors and reeves, but their busy schedules mean that they are not always available to serve as the initial and working contacts among governments. Some matters will require eventual action at the political level, but, when an intermunicipal dispute first arises, administrative officials are most likely to be in possession of all the relevant facts. In the smaller rural municipalities the Chief Administrative Officer would be the obvious intergovernmental liaison person. Within the City of Winnipeg, it would be helpful to designate a person within the secretariat to the Chief Administrative Officer as the full-time liaison person with other governments. This individual would work closely with the Mayor's office and with the Councillor on the Executive Policy Committee of Council designated by the Mayor as responsible for Intergovernmental Affairs.

The establishment of a single point of contact at the City of Winnipeg would reduce the concerns voiced by other regional governments that Winnipeg City Hall is both a complicated maze and unresponsive to rural municipalities. This administrative official could:

- provide a referral service to other parts of city government
- maintain continuity that would lead to knowledge of the issues and the personalities involved with intergovernmental relations in the Manitoba Capital Region
- serve as an "early warning system" for issues that are "heating up" within the Region

Ongoing dealings among officials would establish a shared factual basis and set of understandings to guide behaviour. This issue also arose in relation to communication regarding proposed changes to development plans and is discussed in Chapter Eleven of this Report. A recommendation addressing both concerns is made in Chapter Fourteen.

SETTLING DISPUTES

The RPAC does not wish to exaggerate the benefits that can flow from improved communication. There will continue to be issues where the fundamental interests of different governments will clash. In these situations, alternative dispute resolution mechanisms could prove valuable. ADR refers to any method of resolving disputes that operates as an alternative to the court system. Arbitration, (in which an agreed upon arbitrator or board of arbitration imposes a settlement) and mediation (in which a mediator works with both parties to reach an agreement) are the most common types of ADR. They offer parties to a dispute an alternative to the courts, without removing their right to engage in litigation should this become necessary.

In 2000, the Town of Niverville and the Rural Municipality of Ritchot were able to resolve an annexation issue through an alternative dispute resolution process. The annexation proposal arose when Niverville sought to annex a portion of Ritchot as a part of an expansion of local flood protection. Government of Manitoba staff worked with both municipalities through an ADR process to sort out the details of the proposal. The result was a mutually agreeable solution, with a joint application for annexation being made to the Municipal Board.

Mediation may be the most appropriate form of ADR for resolving intermunicipal disputes. In mediation, the goal is to find a mutually acceptable settlement, the content of which is the responsibility of the parties themselves. Compared to court ordered settlements, mediated settlements can be more collaborative and enduring and help to maintain an ongoing working relationship between the parties. Ideally, the mediation process:

- encourages exchanges of information
- provides new information
- helps parties to understand each other's views
- helps parties realistically assess alternatives to settlement
- encourages flexibility
- shifts focus from the past to the future
- stimulates the parties to suggest creative settlements;
- invents solutions that meet the fundamental interests of all parties
- increases public trust that solutions are being sought

THE ALBERTA MODEL

There are many examples of intermunicipal dispute settlement used in North America, but the Alberta Intermunicipal Dispute Resolution Service is unique in several respects. Not only has the Government of Alberta formalized the mediation program, it also provides financial support, a roster of experienced private sector mediators, and other support services (i.e. convening meetings) to assist municipalities in resolving their conflicts. (Details of the program can be found on the Alberta Municipal Affairs web site which can be found in Appendix 8)

Alberta Municipal Affairs works with municipalities to determine whether disputes are suitable for mediation. The department collaborates with municipalities to design specific dispute resolution training programs, (including preparation for mediation), discussions of when to use mediation, and helping to establish best practices for municipalities. The department has a roster of qualified private sector mediators available for work and, when appropriate, it provides funding on a proportional basis to retain the private-sector mediator. This arrangement allows the province to avoid the cost of maintaining in-house mediation capacity. The impartiality of the mediation process is enhanced because the provincial government is not directly involved as the selection of the mediator is left up to the parties involved. The Alberta program facilitates the early assessment of potential dispute situations and outlines a four-step procedure that municipalities can use to resolve issues. The process may involve other stakeholders, such as developers, residents, advocacy groups, and other government agencies.

The results of the dispute resolution process are binding to the extent that all parties agree. If consensus is not achieved, municipalities can proceed to a hearing of the Municipal Board (where that option is legally available), or the courts. This appeal stage is often enhanced because the prior mediation work has better defined and narrowed the issues and differences.

The Alberta Intermunicipal Dispute Resolution website contains a number of impressive success stories. As of May 2003, the program had been involved in 29 disputes since its inception in 1998. Eighteen had been completed, three have been resolved in pre-mediation discussions. The remaining eight were ongoing. The program gives the municipalities an incentive and the support they need to resolve their differences constructively. The Government of Alberta spends approximately $220,000 annually on the program. The provincial share of the costs of any particular mediation is determined by the number of municipal jurisdictions involved.

The RPAC recommends the adoption of the Alberta model for the Manitoba Capital Region and for the entire province. The program has proven that mediation is an efficient and effective process for resolving intermunicipal disputes in a timely fashion.

The RPAC recommends that:

10.1 The Government of Manitoba establish an Intermunicipal Dispute Resolution Service that is modelled upon the Alberta Intermunicipal Dispute Resolution Service.

Section Three

An effective planning and policy framework

The Regional Planning Advisory Committee is calling on the Government of Manitoba to develop a policy framework and periodic policy statements that would create the legal framework for the planning activities of local governments. This section of the report examines the principal means by which the provincial government can influence trends and developments with the Manitoba Capital Region.

The Government of Manitoba is the only government with a formal, legal and political mandate to identify, promote and to protect the present and long-term interests of the Capital Region as whole. This is not meant to imply that the sixteen local governments that comprise the Capital Region do not care about regional matters or cannot be counted upon to cooperate voluntarily to achieve regional goals when circumstances favour joint action. However, the legal and political mandate of the mayors, reeves, and councillors is, first and foremost, to meet the needs of their individual communities within the framework of laws and policies prescribed by the provincial government.

It would be unrealistic to assume that there will never be conflicts among the municipalities, or between one or more of the municipalities and the provincial government. Given the different mandates and perspectives of local and provincial governments, disagreements are bound to arise. Also governments may find it politically convenient to overturn local decisions when there is a public outcry about the plans of a local government. Conversely, local officials may find it politically convenient to make "the popular decision," knowing that the provincial government will be obliged to overturn it. Given the interdependence among different levels and types of decisions being made within the Capital Region, some overlap and confusion about roles and authority is inevitable.

An important aim of a sound planning process should be to resolve conflicts in a constructive, timely, and fair manner so as to generate the maximum support possible for the eventual outcomes, as well as to generate trust and confidence in the process. The planning system should be sufficiently transparent and accountable that it allows the public to easily identify which level of government deserves the credit or the blame for decisions.

Provincial leadership in identifying "the regional interest" and "the provincial interest" need not and should not normally be unilateral and top-down; ideally it should be based upon information sharing, consultation, and a partnership approach to working with the sixteen municipalities. The provincial approach should recognize that the sixteen local governments have ideas of their own about future developments within the Capital Region and assist them in taking initiative on a collective, consensus basis to promote those ideas. However, the provincial government has the legal authority, the financial capacity, and the political credentials to have the final word on regional matters. The Government of Manitoba must match this authority with a clear, consistent, and committed approach to the identification, promotion, and protection of regional goals and activities.

This section of the report sets out the RPAC's vision of a principled, open, and accountable provincial government approach to the performance of its responsibilities within the planning and development processes in Manitoba's Capital Region. Chapter Eleven reviews the current planning regulations and policies. Chapter Twelve summarizes current growth patterns and relevance of proposed policy options for directing regional growth. Chapter Thirteen examines the environmental implications of Capital Region Development. Chapter Fourteen contains the RPAC's recommendations for changes in planning policy and regulation.

Chapter Eleven

Land-use planning in Manitoba: Existing policies and practices

This chapter is meant to provide an overview and assessment of the current land-use planning tools and practices in Manitoba. The chapter:

- describes the existing policy tools
- describes the planning process with a focus on the process of creating development plans, zoning by-laws, and subdivisions
- identifies areas where the process could be improved

PROVINCIAL POLICY TOOLS

There are currently a number of policy tools the Government of Manitoba employs to regulate land-use planning and growth management issues within Manitoba's Capital Region. These include:

Legislation

The legislative or statutory framework for land-use planning on privately held lands derives from a variety of acts passed by the Manitoba Legislature, the principal acts being *The Planning Act*, *The City of Winnipeg Charter*, *The Municipal Act*, and *The Municipal Board Act*.

Regulation

Regulation 184/94 of *The Planning Act* creates Provincial Land Use Policies (PLUPs) which are legally binding and apply to all of Manitoba outside Winnipeg. They run to 43 pages and cover nine policy sectors (e.g., agriculture, renewable resources, and recreational resources), as well as general development and sustainable development.

The PLUPs were last revised in 1994. In January 2003, the Minister of Intergovernmental Affairs of the Government of Manitoba launched a review of *The Planning Act* and *The City of Winnipeg Charter*. A 38-page discussion paper was issued to serve as the basis for consultations with the public, interested organizations, and municipal governments across the province. The discussion paper indicated that the planning law for the Province was basically sound, but needed to be modernized and streamlined to take account of new policy considerations, such as sustainable development, and to enhance its overall effectiveness. The RPAC believes the issue of greater consistency in the policy-planning framework is important in for the City of

Winnipeg and other municipalities and lauds the current review.

Ministerial statements

From time to time there are public statements from ministers and/or departments that set forth provincial thinking on substantive or procedural matters related to land use planning. For example, the Minister of Intergovernmental Affairs announced, in the paper *Planning Manitoba's Capital Region: Next Steps* (January 2001), that the government would "diligently apply the Provincial Land Use Policies." This announcement has affected the way government departments apply the PLUPs for development plan reviews.

Precedents and informal processes

Over time the main provincial departments involved with the review of municipal development plans and other planning issues have created precedents and informal processes and understandings, which, while not legally binding and usually not public, can be influential in determining the provincial response to a specific development proposal.

The above listing represents only a summary of the main sources of provincial policy direction and regulatory control over land use planning in the Capital Region. Clearly, the process of defining, declaring, and applying provincial policy concerns is not always simple, straightforward, transparent, or easily understood. Given the range of interests and values that must be accommodated in the planning process and the interdependence among decisions made on several levels, some measure of complexity is unavoidable.

Other provincial legislation, regulations, and policies also impact of land-use decisions and planning, such as regulations regarding the installation and maintenance of septic fields and wells, as well as other environmental licensing requirements.

THE CURRENT PLANNING PROCESS

All sixteen local governments in the Capital Region have development plans that have been approved by both the municipal council[*] and the Government of Manitoba. All sixteen also have adopted zoning by-laws. Some Capital Region municipalities have had planning controls since the 1950s (see the Capital Region background paper, *The Planning Framework in Manitoba's Capital Region - a Brief Historical Perspective* in *Planning Manitoba's Capital Region: next steps*). The City of Winnipeg has had planning controls in place since the early part of the last century.

The City of Winnipeg Charter sets out the planning framework for the City of Winnipeg and *The Planning Act* does the same for the other municipalities in Manitoba—including the fifteen other municipalities in the Capital Region.

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[*] The word "municipality" means any of the 199 incorporated municipalities in Manitoba including the City of Winnipeg. As well, for ease of understanding, in this section, "municipality" also includes Planning Districts. As mentioned elsewhere, there are currently three Planning Districts in the Capital Region involving 9 of the 16 municipalities. Planning Districts are incorporated bodies made up of two or more municipalities, with authority under *The Planning Act*, whose main role is to adopt a district-wide Development Plan, and to administer it and other zoning/planning/building by-laws in the member municipalities. Planning Districts have staff and are directed by a Board made up of elected councilors of the member municipalities.

The Development Plan Under *The Planning Act*

The development plan is the core document in the local planning process. It is a municipality's or district's formal medium-to-long range land-use planning document. A development plan constitutes not only the land-use plan that the municipality must follow in authorizing development, but is also the plan the Government of Manitoba follows in that municipality or district. While development plans vary from municipality to municipality, they tend to be fairly general tools, setting out broad land-use objectives and policy statements. The plans contain land-use designations such as Residential, Commercial, Agricultural, Industrial, Parks and Recreation. These classifications tend to be fairly broad, are shown on maps and are accompanied by policy statements setting out general principles to guide the municipality in its land-use decisions. Many of the statements/policies are similar to (but usually more specific) than those in the PLUPs. Because significant background work must be done (engineering, housing, current land use patterns, population studies, etc.) prior to a plan being written, the process of writing a plan, having it adopted, and beginning the process of implementing the plan through the formulation and application of zoning by-laws usually takes at least two years.

In accordance with legislation, municipal councils in Manitoba adopt development plans as by-laws. In the process of adopting a development plan by-law, a municipality must give public notice of the proposed by-law (this includes notifying neighbouring municipalities and the Minister of Intergovernmental Affairs) and hold formal public hearing(s). After it is given second reading by the council, the by-law must be submitted to the Minister of Intergovernmental Affairs, who is required by *The Planning Act* to consult with provincial cabinet on the development plan or amendments to the plan. As part of this process, the minister circulates the plan to the appropriate government departments and agencies for comment. Provincial planning officials review the plan to ensure that it is consistent with Manitoba's land-use policies. There is currently no time limit for this process of provincial review and approval. If the plan appears contrary to the PLUPs, provincial government staff will attempt to negotiate with the municipality and/or developer to bring the plan in line with them. If negotiations fail and there are outstanding objections from either the public or the government, the by-law is normally referred to the Manitoba Municipal Board, which holds its own formal hearing and then it makes a recommendation to the minister. (For further information on the Manitoba Municipal Board, see the sidebar article entitled The Manitoba Municipal Board on the next page.) The Minister, who is not bound by the Municipal Board's advice, can approve the by-law with no alterations, approve the by-law with alterations, or reject it. There is also no time limit on the period for final ministerial approval of a development plan or changes to the plan.

Once the by-law has received ministerial approval, the municipality may then give it third and final reading. The by-law is then in full force and effect. (See Appendix Five for flow-charts showing all the steps in the process).

After a plan is adopted, it must be formally reviewed at least every five years. In between those five-year review periods however, the plan can be amended. The amendment procedure is the same as the original plan adoption procedure.

Planning under *The City of Winnipeg Charter*

The development plan for the City of Winnipeg is known as Plan Winnipeg. The City of Winnipeg must follow roughly the same process as other municipalities when it comes to making amendments to its development plan. One key difference is that the Minister of Intergovernmental Affairs is not required to consult with the provincial cabinet prior to approving changes to Plan Winnipeg. The second is that the PLUPs do not formally apply to the City of Winnipeg, although in practise the Government of Manitoba reviews proposed amendments to Plan Winnipeg in the light of the PLUP regulation.

The Manitoba Municipal Board

The Municipal Board of Manitoba is established under *The Municipal Board Act* and is charged with hearing both assessment and planning matters. With respect to planning, the Board, whose members are appointed by the Government of Manitoba, hears:

- objections and appeals to local decisions on municipal zoning by-laws (in municipalities not in a planning district)
- appeals to conditions related to subdivision approvals

On these two matters the Board's decisions are final and binding. The Board also:

- hears objections and considers issues related to local development plans referred by the Minister of Intergovernmental Affairs
- considers the establishment of planning districts upon referral from the Minister of Intergovernmental Affairs

On these two matters the Board provides advice to the Minister of Intergovernmental Affairs.

While the Board does not necessarily consider its decisions as precedent setting, its decisions and recommendations naturally have a significant impact on the way future land-use decisions are made in the region.

The Municipal Board does not hear appeals related to zoning decisions in the City of Winnipeg.

These are heard by Winnipeg City Council and the Council's various committees. In the case of Plan Winnipeg however, the Minister of Intergovernmental Affairs can direct objections to proposed amendments to the plan to the Municipal Board.

Zoning By-laws

After a development plan has been adopted the next step in municipal planning is the adoption of a zoning by-law (ZBL). The main difference between a zoning by-law and a development plan is that the ZBL is intended primarily to be an immediate, specific and detailed implementation tool, whereas the plan is more general and long range and is written as policy. For example, where the development plan might give an area an industrial designation and provide some general policy guidelines for industrial development in the area, the ZBL might divide that designated area into M1 Light Industrial and/or M2 Heavy Industrial. The ZBL will set out specific criteria relating to such matters as building location, building height, minimum front, side and rear yard sizes, fence requirements, parking requirements, permitted, non-permitted, and conditional uses.

Under *The Planning Act* municipalities outside the City of Winnipeg must submit proposed zoning by-laws (or amendments to the ZBL) to the Government of Manitoba, which reviews them to ensure they conform to the applicable development plan.

Under *The City of Winnipeg Charter,* the City of Winnipeg is not obliged to submit its proposed zoning by-laws to the Government of Manitoba. While municipalities do not require provincial government approval to adopt the ZBL, the Province does have the right to appeal by-laws that it believes do not conform to the development plan.

Subdivisions

In Manitoba, for the purposes of ownership, land is divided into parcels that are described in titles of ownership. For a number of reasons the owner of a parcel of land may wish to divide that parcel into one or more parcels of land. This process is known as subdivision of the land. It can simply involve the split of a parcel into two new parcels or transforming a larger tract of land into numerous parcels, often for residential housing, commercial, or industrial development. In all cases the subdivision must conform to existing zoning by-laws and development plans, and the subdivision must be authorized by the appropriate authority (referred to as the approving authority). Subdivisions in the City of Winnipeg must by authorized by the City of Winnipeg, while subdivisions outside the City of Winnipeg must be authorized by the Minister of Intergovernmental Affairs. The Minister has delegated approving authority to senior departmental staff and to some Planning Districts that have requested it. In the Capital Region, the Selkirk Planning Board (which includes the City of Selkirk, the RM of St. Andrews, the RM of St. Clements, and the RM of West St. Paul) and the South Interlake Planning District Board (which includes the Town of Stonewall, the RM of Rockwood, and the RM of Rosser) have the authority to approve subdivisions.

Outside the City of Winnipeg applications for subdivision are made to the approving authority, which circulates the application to affected provincial government departments and boards. The approving authority then provides the relevant municipal council with a report and recommendations. The council can reject the subdivision, approve it, or approve it with conditions. If the council rejects the subdivision, there is no appeal and the process is halted. However, if the council approves the subdivision (with or without conditions) the approving authority still has the options of rejecting the proposal, approving it or approving it with conditions (and it can add to the conditions put in place by the municipal council). Applicants can appeal to the Municipal Board. In cases where the Planning District Board serves as the approving authority, the Minister of Intergovernmental Affairs has the right of appeal to the Municipal Board.

In the City of Winnipeg application for subdivision must be made to the City. If the subdivision does not require the dedication of land for a road, a committee of Winnipeg City Council can approve the subdivision. If it requires land for a road, a Winnipeg City Council Committee reviews the application, holds public hearings and makes a recommendation to Winnipeg City Council, which makes the final determination on the application. Appeals to City decisions on subdivision applications can be made to City Council, whose decision is final and binding. Under this process there is no requirement for the City to circulate information about the application to any other government or agency.

Other Planning Processes and Tools

There are a number of other important planning, development, and building processes and tools including development agreements (whereby the developer enters into a legal agreement with the municipality usually relating to services and conditions on the development proposal), and building by-laws and building codes (which set out detailed building and construction standards and requirements). Property taxes and other fees can also play a significant role in determining where development takes place. Occupancy by-laws, maintenance by-laws, by-laws respecting nuisances, and parking all impact on planning, development and land use in a municipality.

Planning obviously has implications that go far beyond land use. Building codes for example, have an impact upon both energy use and accessibility.

In 1997 the federal government published the Model Energy Code (MEC) for Buildings for provincial and municipal jurisdictions to adopt. The Code specifies comprehensive minimum energy-efficiency standards for new building construction. Depending on location and type of energy source, buildings built to comply with the Energy Code use less, in some cases significantly less, space-heating energy than similar houses not built to code. (Natural Resources Canada web site) In addition, there also exists a LEED™ (Leadership in Energy and Environmental Design) Green Building Rating System. It is a voluntary, consensus-based standard for developing high-performance, sustainable buildings. (US Green Building Council web site) This system gives Platinum, Gold, Silver, and Bronze ratings for buildings that complete 10 prerequisites and achieve a certain number of points in a variety of categories, ranging from building materials to water quality.

Both Ontario and BC both make direct reference to the MEC in their building code and the City of Calgary now stipulates that all public buildings must meet the LEED™ Silver minimum standard. Other jurisdictions are considering adopting these standards. Strong arguments can be made for the adoption of more stringent building codes that places municipalities in a more competitive position with other jurisdictions due to lower operational costs through savings in energy consumption.

In *Full Citizenship: A Manitoba Provincial Strategy on Disability*, the Government of Manitoba committed itself to adopting the

Universal Design Institute's document *ACCESS: A Guide to Accessible Design for Designers, Facility Owners and Managers* as preferred accessible design guidelines for those buildings where the provincial government has design control. This guide is based on the national Building Code of Canada and includes specific technical information and drawings necessary to achieve better fundamental accessibility features in the renovation of existing facilities and in any new construction.

AN ASSESSMENT OF PLANNING POLICIES AND PRACTICES

Through the public hearing process a variety of complaints were made to the RPAC about the current planning policies and processes. Many of these focussed on the PLUPs and the approval of development plans.

The RPAC heard that the language in the PLUPs is unduly vague, with the result that any proposed local development can be made to appear to conform to the parameters of provincial policy. The committee was also told that successive provincial governments had been inconsistent in their interpretation and enforcement of the PLUPs. Up to a point, the RPAC accepts these criticisms as valid. The RPAC recognizes that:

- There is an inconsistency in not formally requiring Plan Winnipeg to conform to the PLUPs while requiring this of all other municipal development plans. The RPAC was told PLUPs do not contain sufficiently detailed urban policies to provide guidance for them to apply to the City of Winnipeg.
- There is inconsistency and unnecessary delay by requiring the Minister of Intergovernmental Affairs to consult with cabinet on all amendments to development plans outside the City of Winnipeg.
- There is inconsistency in the requirement that Plan Winnipeg requires public hearings for subdivisions requiring new public roads while *The Planning Act* does not contain a similar requirement.
- PLUPs are too general. Furthermore there may be situations for which these policies do not provide adequate direction. The PLUPs are written in such a general fashion that they are difficult to interpret in a consistent manner.

However, a review of the planning statutes and policy statements used in other Canadian jurisdictions reveals a similar (or even greater) generality and multiplicity of aims, suggesting there are distinct limits to the precision of language and the consistency of interpretation that can be expected. When one is dealing with communities as diverse as those in Manitoba and wishes to balance public and private interests, the rules governing development must impose appropriate constraints without becoming too rigid. It might be necessary to develop Capital Region specific PLUPs.

Presenters to the RPAC hearings also pointed out that:

- There appears to be a lack of regional coordination in land-use planning. Presenters said that there is not enough circulation between municipalities of information related to proposed development plan, zoning by-law, and subdivision changes. Those municipalities that did circulate such information rarely received responses, particularly from the City of Winnipeg.
- Some presenters expressed the view that there was too much provincial interference in local decision-making. Others, however, said there was not enough provincial intervention at critical times.

The sidebar on the Gunn Road controversy in Transcona at the end of this chapter provides a good example of the problems that can be created when development issues spill across borders and there is a lack of planning co-ordination.

Citizens, developers, and governments within the Capital Region are entitled to clear rules concerning when, how, and on what basis the provincial government will review, approve, modify, or reject development plans at the local level. There needs to be a clearer basis for designating certain planning matters as sufficiently important to require regional and/or provincial action.

At several points in the above discussion of the development plan and subdivision approval process, mention was made of the fact that there are no fixed time limits on the Government of Manitoba in terms of communicating its concerns or rendering a final decision. During the RPAC's meetings municipal representatives said that the provincial approval process was too slow. Municipal representatives noted that there are specified deadlines for the steps they control in the land-use planning process, but few for the Province. Also, undue delay in the approval process can lead to the loss of development opportunities.

The RPAC recognizes that each case in the land-use planning process is unique. At times, delay is unavoidable. It is also the case that the affected parties, whether they are municipalities, developers or citizens, will see flaws in the procedures when they do not approve of the eventual decisions. Delays at the provincial level may reflect the fact that the proposal is complex and may have given rise to controversy within the affected municipality. Finally, timeliness in decision-making needs to be balanced with thoroughness and attention to the long-range implications of particular actions. Soliciting and integrating the response of the main provincial departments involved—Intergovernmental Affairs, Conservation, and Agriculture and Food—necessarily takes time. Staff reductions in those departments may have added to the delay in recent years. The requirement for consultation with the full cabinet can also be another source of delay. Finally, time is required to discuss developments with all affected parties.

There is no simple answer to the frustration caused by the delays and the need for adequate opportunities to challenge development proposals in order to identify the full range of interests and values involved, including the cumulative, regional, and future impacts of local decisions.

The RPAC recognizes that rigid deadlines for provincial approvals would not take sufficient account of the diversity of the municipal land-use proposals that come forward. However, there would be value in the Government of Manitoba publishing some guidelines for the normal timing for the approval of different types of proposals. Published guidelines would set expectations for proponents of developments and for municipal governments. They would provide discipline and benchmarks for provincial departments that must review proposals. They would remove the temptation for undue delays of highly controversial proposals. In the event that the time needed to complete the provincial approval exceeds the normal guidelines there should be a requirement for the Minister of Intergovernmental Affairs to notify the affected municipality and indicate the length of the extension required to complete the process.

The following two chapters of this report outline the patterns of growth in the Capital Region and the environmental issues that this growth has given rise to. These chapters are followed by a chapter that makes a series of proposed changes to Manitoba's land-use planning process intended to make the system more effective, efficient, and consistent. Aside from proposing changes to existing policies and practices, it proposes the introduction of a number of new policy tools.

Planning in the Transcona and the Springfield Industrial Zone: a case study

Through presentations to the RPAC's public hearings, written submissions, and a site visit by several committee members, the RPAC became aware of serious problems created for a residential area in north Transcona. The problems are created by the close proximity of heavy industrial activity that has expanded over several decades.

We received information and opinions from residents of the area, from the Member of Parliament for Winnipeg-Transcona (Bill Blaikie) the Member of the Manitoba Legislative Assembly for Transcona (Daryl Reid) and from the Reeve of the Rural Municipality of Springfield (John D. Holland).

The residential area in question is bounded by Plessis Road to the west, Gunn Road to the north, and Bellevance Street to the east. The area was zoned and subdivided for residential use in 1974. Immediately north of Gunn Road is an area that was zoned M2, Heavy Industrial Use as far back as 1959 under the Rural Municipality of Springfield's Planning Scheme. From 1960 to 1991 authority over land-use planning in the two areas resided first with the Metropolitan Corporation of Greater Winnipeg (1960-1972) and then the unified City of Winnipeg. In both cases this authority existed through the operation of the Additional Zone, which extended planning authority from Winnipeg into the adjacent municipalities. Planning authority for the industrial area reverted to the Rural Municipality of Springfield in 1991, following the abolition of the Additional Zone. The area has remained zoned as industrial and this designation was confirmed in the Springfield Development Plan 1998, which came into force and effect in 2001.

Consistent with the designation of the area as industrial, many of the businesses located there involve heavy equipment, noise and dust, and dangerous products or by-products. Residents of Gunn Road and adjacent streets, along with their elected representatives, expressed frustration and concern about heavy truck and rail transportation, noise and dust, fear of industrial spills and toxic fumes, confusion over which fire and ambulance services (the Rural Municipality of Springfield or the City of Winnipeg) would respond to emergencies, and the cumulative impact of uncoordinated development on the overall environment and quality of life of the community.

Springfield and Transcona representatives blame each other for the problems. Reeve Holland of Springfield noted in his presentation to the RPAC that many of the area's largest operations (the General Scrap auto-wrecking facility, the Brunswick Steel

Plant, Border Chemical, etc.) were approved when the Metropolitan Corporation or the City of Winnipeg were the final planning authority. He also noted that the major environmental clean-up arising from the now defunct Domtar Plant was within the City of Winnipeg. Reeve Holland recognized the concerns of Transcona residents regarding two recently established asphalt processing operations, but noted that the businesses involved had agreed to meet or exceed the environmental standards set by the provincial Department of Conservation. He expressed a willingness to work with City of Winnipeg and provincial officials to resolve the problems arising from past decisions and to avoid them in the future.

On behalf of Transcona representatives, Mr. Daryl Reid, M.L.A., noted that the pace of industrial development in the area had increased since 1991 when planning control reverted to the Rural Municipality of Springfield. He said that, in the eyes of many Transcona residents, the industrial zone had become a lucrative source of revenue for Springfield because it could offer flood-protected land to industry at prices below what they would have cost if they had been within Winnipeg.

He was also critical of the provincial Department of Conservation for the limited number, depth, and quality of the environmental assessments used to support the granting of environmental licenses in the Transcona community. Among several recommendations made to the RPAC, he called for a moratorium on the issuance of new environmental licenses pending an in depth assessment of the cumulative impacts of industrial development on Transcona. He also recommended that in the future development in the area closest to Gunn Road residences be restricted to light industrial use and that there be a significant buffer between future industrial development and residential areas. Mr. Reid also expressed a willingness to work with the appropriate authorities to resolve the problems facing the community in northeast Transcona.

The RPAC's purpose in reporting on this controversy is not to take sides or to attribute blame for past decisions. Rather, our goal is to identify some possible lessons to be learned for the future. The case of north Transcona illustrates the following points about land use planning:

- Anticipation, foresight, and accurate forecasting, though difficult to achieve, must be attributes of land use planning.
- Planning and individual development decisions can have cumulative impacts which go unnoticed or are underestimated when the planning process is gradual and incremental in character.
- The impacts of planning and development decisions can spill over the boundaries of one municipal jurisdiction and be deleterious to neighbouring communities unless adequate buffer zones are provided.
- Divided and shifting jurisdictions among the rural municipality, the City and the provincial government led to coordination failures and blaming when unwanted impacts arose.
- Co-ordination problems also arose within the provincial government among the main departments involved—such as Intergovernmental Affairs, Conservation, Transportation, etc.

- Individual citizens—especially those most directly and adversely affected—found it difficult and frustrating to find their way through a jurisdictional maze and to gain access to the appropriate forum to raise their concerns in advance or to seek a redress of their grievances after decisions were made.
- When designations for the future use of land have been made, it is the responsibility of developers and homebuyers to recognize the risks of creating residences in certain locations and the potential for land-use conflicts.

It is not the RPAC's role to resolve current intermunicipal disagreements; our mandate was to provide future-oriented policy advice to the Government of Manitoba. With respect to the north Transcona situation, there is no easy way to resolve the problems arising from past decisions. Elected representatives from both municipal and provincial levels of government have expressed a willingness to work together in finding ways to alleviate the existing concerns of residents and to develop approaches to avoid future problems. The RPAC encourages all the relevant parties to meet—perhaps with the assistance of an independent facilitator—to brainstorm on ideas for addressing the problems. We do not claim to know the right course of action, but we offer the following ideas for discussion:

- the creation of a special committee—consisting of elected representatives, some residents, administrative officials from the City and the Province, and some of the businesses in the area—to share perspectives on possible actions
- the possibility of creating a buffer zone on the south side of Gunn Road, perhaps paid for jointly by the City of Winnipeg and the Rural Municipality of Springfield
- steps to improve communication around developments contemplated in the area, such as designating a contact person in each jurisdiction to share information on proposed projects
- holding joint public hearings in both jurisdictions to ensure that the affected residents are informed and are given an opportunity to raise their concerns
- an agreement between the City of Winnipeg and the Rural Municipality of Springfield to limit future development to light industry and commercial activity in those locations where the most intensive heavy industrial activity already exists.

The RPAC offers these suggestions with the hope that all the relevant parties can find agreement on a plan which is mutually beneficial.

Chapter Twelve

Patterns of development: Where we live and work

The Capital Region is where the majority of Manitobans live and work. However, most residents probably do not see themselves as being part of a distinctive region. This lack of regional consciousness reflects, in part, the Region's geographic extent and diversity. The Region is comprised of a central city, suburbs, built-up rural centres, agricultural communities, and areas that are in transition from rural to more urban identities. There are still readily identifiable urban and rural, residential, and industrial/commercial zones, but these traditional planning labels do not fit the dynamic and mixed nature of developments as neatly as they did in the past. Complex interrelationships exist among the physical, economic, environmental, and social features of the Capital Region. Changes to housing, commercial, industrial, transportation, environmental, and other activities often reverberate from one location to other parts of the Region in unplanned and unpredictable ways. The weak regional awareness among citizens also reflects the fact that the Region arises from informal, non-statutory, political and administrative processes and does not have a visible institutional forum for the expression of regional concerns.

The Manitoba Capital Region's diversity poses serious challenges for planning and growth management. The location of people, housing, industry, commercial, and retail activity reflect historical, often uncoordinated decisions made by housing developers, shopping mall owners, company executives, governments at all three levels, and by thousands of Manitobans who make choices regularly about where they want to live and work.

The freedom to locate houses and companies where people choose is clearly a highly prized value that governments are rightly reluctant to restrict without good reasons. However, there are also potential problems and costs attached to low-density and non-contiguous development. Environmental damage, loss of agricultural land and green spaces, higher infrastructure costs, traffic congestion, and wider social divisions are among the potential problems of sprawl. These issues were prominent in both the RPAC's public hearings and private meetings. Governments have a responsibility to work together to promote opportunities, to preserve the quality of life, to deal with the impacts of sprawl, and to use scarce tax dollars efficiently and effectively.

In this chapter, the RPAC sets forth its interpretation of the sprawl issue within the Capital Region. It examines approaches used to deal with sprawl elsewhere and concludes that given the nature and extent of the sprawl phenomenon within the Manitoba Capital Region, the issues can be effectively addressed mainly through a more diligent and consistent application of an improved set of Provincial Land Use Policies (PLUPs). In reaching this conclusion, the chapter covers the following topics:

- The concept of sprawl
- Sprawl and growth in the Capital Region
- Patterns of commercial and industrial development
- Patterns of development and infrastructure costs
- Sprawl and inner city problems
- Summarizing the sprawl debate
- Provincial policy options

Based on the evidence presented at public hearings and further research and analysis, the RPAC has concluded that urban sprawl in the Manitoba Capital Region is different in nature and not as severe as that found in those rapid growth regions across North America. However, all governments in the Capital Region must continue to monitor and to deal with issues arising from non-contiguous development through the use of existing and new policy and regulatory tools.

UNDERSTANDING THE CONCEPT OF URBAN SPRAWL

"Urban sprawl" is the vague, controversial, and common phrase used to describe the dispersed patterns of development that have occurred within cities and spread into the surrounding countryside. For many commentators the term connotes badly managed urban and ex-urban growth. For others, sprawl is viewed as development: a natural and inevitable process reflecting the impact of economic, technological, and social changes, as well as the choices made by people living within a market-based society. In short, while there are factual, technical, and analytical components to debates over sprawl, the controversies also involve philosophical, cultural, and lifestyle differences.

In the course of its public meetings the RPAC heard many strong, conflicting opinions on the nature, extent, and seriousness of the sprawl problem within Manitoba's Capital Region. Given the emotion involved with the sprawl debate, it is often difficult to separate fact from fiction. In the interest of clarifying the issues surrounding sprawl and hopefully contributing to public understanding, this chapter presents the RPAC's interpretation of the general debate and its relevance to Manitoba's Capital Region.

Put simply, sprawl refers to a pattern of land use in and around an urban area that involves low levels of all or some combination of the following: density, continuity, compactness, or proximity. Each of these dimensions is definable and measurable to some degree. In combination, they capture a situation in which there is dispersed residential, commercial, and industrial development. This is the factual component of the sprawl debate. The disagreements arise over the causes, consequences, and appropriate policy responses to these conditions.

The three types of sprawl

To clarify the issue, it is helpful to start by identifying the three different types of urban sprawl.

1) Sprawl can take the form of outward expansion within a city; for example, the rapid expansion of housing and retail outlets in suburbs that may have impacts on the central city but does not necessarily have spillover effects on neighboring municipalities.

2) Sprawl can arise from land-use developments, often in central cities but also in surrounding municipalities, that have impacts beyond the boundaries of the municipality where the developments take place. The location of a large retail mall or a heavy industry just outside the boundaries of a central city within an urban region would be an example of this second type of sprawl.

3) Land-use developments or decisions in a particular jurisdiction that create impacts in adjacent jurisdictions constitute another form of sprawl. These impacts, in turn, have consequences throughout the urban region. For example, a city might encourage suburban growth, increasing its infrastructure costs, raising taxes, causing some people to relocate to neighboring municipalities, and putting pressures on local and provincial governments to invest more in infrastructure and services.

Causes and effects

Because it is not a straightforward task to identify where sprawl originates and where its ultimate impacts occur, governments within an urban region often end up pointing the finger of blame at one another. The loose way that the concept of sprawl is used means that causes and effects are often confused. In broad terms both "push" and "pull" factors can encourage expansion towards the outer edges of the city and beyond. Pull factors would be positive features of suburban and rural areas such as larger lots, safe streets and rural lifestyles. Push factors that could drive people and businesses away from the central city and into the surrounding areas could be high taxes, congestion and crime.

In each urban region the causes of sprawl can be somewhat different and within a particular region the relative importance of these factors can vary over time. The literature on sprawl identifies a number of conditions that may give rise to the phenomenon:

- technological change leading to increased mobility (automobiles and telecommunications)
- population growth
- increased affluence
- changing public tastes (a desire for rural lifestyle)
- competition among local governments for residential and commercial development
- pressures from developers and others
- land-use regulations and taxation policies that promote or allow certain types of development
- fragmented jurisdiction over planning and the presumed short-term parochial outlook of politicians

This list is not in order of importance or meant to be exhaustive of the potential underlying causes. The key point is that sprawl is a multi-dimensional phenomenon with many different causes and therefore there is no single policy response to these various types of sprawl.

Benefits and costs

In formulating an appropriate policy response to sprawl, it is necessary to distinguish what is "good" and "bad" about sprawl, recognizing that people disagree hotly over what are objectionable versus desirable outcomes. Presumably anti-sprawl policies would be intended to curb "excessive" extension of residential, commercial, and industrial activities to the peripheries of the city and beyond. The key word is "excessive." Although cities and regions must grow spatially to accommodate expanding populations and new business activities, decisions on where growth takes place, its timing, whether such growth is appropriate, and which level of government should have the final say on particular developments, are all potentially controversial matters.

In the worst case scenario, sprawl is said by critics to have a number of deleterious impacts:

- low density development, "leapfrog" development, land speculation
- the loss of agricultural land, open spaces and recreational opportunities
- environmental degradation (poor air quality, depleted water supply and quality, loss of natural habitat for wildlife, etc.)
- increased infrastructure costs
- the decline of the commercial centre and inner city neighborhoods
- political infighting among governments that prevents collaborative approaches to regional planning and harms the region in the competition for investment, jobs, and talented people

If all of these indictments of sprawl were true in all locations and under all circumstances, the case for the adoption of strong anti-sprawl policies would be unassailable.

However, like most complicated social and political issues, there is another side to the sprawl debate. Major cities throughout the industrial world have seen the movement of business and people to the suburbs and beyond. As Europe entered the Industrial Age and factories located in cities, residences were established outside the reach of their smokestacks. In the post-Industrial Age, this trend has become particularly pronounced in North America. In the era of the streetcar, upper and middle-income families began to opt for suburban living, as residences were accessible within walking distance of streetcar lines. Postwar affluence made houses and automobiles more affordable for more families, and the trend of suburbanization continued. More people wanted to live in bigger houses on larger lots in cleaner, less congested surroundings. They wanted employment and shopping opportunities close to their homes. Businesses and governments both reflected and promoted these trends by providing housing, shopping malls, industrial parks, schools, highways, and municipal services on an ever-widening basis around central cities. Where critics saw only negative consequences, proponents of growth (homebuilders, developers, chambers of commerce, land speculators, and others) saw business opportunities and choices for families. They also argued that many of the costs of sprawl were problems that would correct themselves over time through the normal market process. For example, residential, commercial, and industrial activity would eventually fill in the vacant spaces created by "leapfrog" development.

The RPAC's view is that economic growth is a necessary and good thing—provided that it is well-managed and sustainable. As suggested above, whether certain types of development represent sound economic growth or deleterious sprawl is partly in the eye of the beholder. Certainly, it is possible to identify examples in the Capital Region of all three types of sprawl. Whether sprawl is confined to the City of Winnipeg or extends to the surrounding municipalities extra costs of various kinds are involved. Therefore, the RPAC recognizes that all sixteen Capital Region municipal governments and the Government of Manitoba must be anticipatory, careful, and balanced in their planning and approval decisions to promote a long-term, cost-effective, and sustainable approach to development.

SPRAWL AND GROWTH IN THE MANITOBA CAPITAL REGION

There are critics who argue that growth within Manitoba's Capital Region has been completely unplanned, haphazard, and too costly, particularly in terms of infrastructure investments. However, since 1981 development planning at the local level has taken place within the parameters of the Provincial Land Use Policies (PLUPs). As described in the previous chapter, plans are debated in public meetings at the municipal level before they are finalized. Both the original development plans prepared by the member municipalities and their five-year updates are subject to review and approval by the Government of Manitoba, which has the option of referring its concerns to the Municipal Board. In short, the image sometimes presented in the media of a totally uncontrolled sprawl process does not fit with the realities of the planning process within Manitoba's Capital Region.

The existence of a planning process does not in itself guarantee that the longer term economic, social, and environmental consequences of current decisions, and the cumulative impact of decisions made in different locations, will be fully understood and considered. The RPAC recognizes the difficulty of making such comprehensive informed future-oriented decisions. It is not the Committee's job to second-guess the past decisions of duly elected governments. However, through its public meetings and private hearings, serious questions were raised about the cost-effectiveness of particular decisions made at both the municipal and provincial levels. Actions in one municipality often have consequences in neighbouring municipalities and the calculation of the cumulative impacts of such decisions is always difficult. There are many reasons, therefore, why a more thorough and region-wide analysis and planning process would be valuable in terms of using scarce tax dollars more efficiently and protecting against unwanted consequences of development.

Ex-urban sprawl in the Capital Region

Sprawl is usually associated with regions experiencing fast growth. Growth within Manitoba's Capital Region has been slow relative to what has been taking place in most other city regions in Canada. Over the most recent five-year census period (1996-2002) the Capital Region population grew by 0.8 per cent (5,450 people) with 80 per cent of this population growth outside of Winnipeg. The rate of population growth in Capital Region municipalities had declined over the preceding census periods from 10.4 per cent in 1991 to 7.6 per cent in 1996 and to 5 per cent in

2001. Moreover, population trends within the surrounding municipalities varied significantly during the 1996-2001 census period: Headingley grew by 20 per cent, East St. Paul by 19 per cent, and West St. Paul by 10 per cent, compared with population declines in Ritchot (-7.6 per cent) and the City of Selkirk (-1.3 per cent). Winnipeg grew by only 0.2 per cent and its share of the total Capital Region population now stands at 87.1 per cent compared with 87.6 per cent in 1996, 88.3 per cent in 1991 and 89.2 per cent in 1986.

These numbers help to put the sprawl debate in context. The movement of people to the surrounding municipalities has been gradual over two decades and has slowed recently. Percentage increases and decreases for the surrounding municipalities appear high because of the relatively small population bases of those communities. During the last census period the net gain of population in the outside communities was 4,384 people compared with 1,067 in Winnipeg. These relatively small numbers reflect the slow growth of the Manitoba Capital Region. Leaders in government and the private sector recognize the need to attract more people to the province, to the Capital Region, and to Winnipeg.

Not surprisingly, small and gradual population shifts to the outside municipalities have been accompanied by the need for increased accommodation for families in those locations. In terms of new housing starts, Winnipeg's share accounted for approximately 66 per cent of the regional total during the ten-year period 1991-2001. (For details see Appendix Six). In other words, the fifteen Capital Region municipalities outside Winnipeg have been the location for approximately 34 per cent of the new housing starts during that ten-year period. In actual numbers an average of 484 houses were built annually in the outside municipalities compared with an annual average of 953 built within Winnipeg.

City of Winnipeg officials have expressed concern about the implications that this shift of population and housing activity will have on the City's residential property tax base. Since higher priced houses generate greater property tax revenues per residence than moderate or lower-priced houses, and the costs of providing municipal hard services are relatively fixed, a comparison of the number of new houses by assessed value may be useful.

Comparisons of housing values are complicated by the fact that assessments of properties in the City of Winnipeg are undertaken by the City of Winnipeg, while the Government of Manitoba assesses properties in the other Capital Region municipalities. The two assessment branches employ somewhat different assessment methodologies. When one compares the data provided by the assessors, it is apparent that new home construction in the City of Winnipeg is not proportionate to its share of the regional population. This tendency is more pronounced in the category of the most expensive houses, that is, the ones that would generate the greatest tax revenue proportionate to the cost of providing hard municipal services to the building site. Furthermore, the City of Winnipeg maintains that if both the City and the Province used the same assessment method the results would show an increase in the size of the gap between the City's population and its share of high-end housing. The RPAC is of the opinion that the differences are not so great to be of any significance to the policy recommendations that result from the numbers generated.

The RPAC notes that the assessment figures do indicate that Winnipeg's share of high-end housing development is less than its share of the Capital Region population.

Relying upon the assessment data provided, the RPAC found that from 1991-2001 new home construction in Winnipeg fluctuated from 47 per cent to 71 per cent, depending on the value of the homes. Comparing the fifteen other municipalities within the Capital Region to Winnipeg, the data shows that a number of communities have a higher percentage of housing starts relative to their population, and a couple have attracted very expensive homes.

As an illustrative example of the patterns, in the decade 1991-2001, 71 per cent of the new houses assessed at less than $100,000 were constructed within Winnipeg, which has 87 per cent of the regional population. The RM of Taché (with 1.2 per cent of the Region's population) had 10 per cent of the construction of new houses in that assessment range. Sixty-seven per cent of the new houses in the $150,000-$200,000 range were in Winnipeg. This is compared to the 5 per cent each of the new starts in that range that took place in Macdonald (0.7 per cent of the regional population) and St. Andrews (1.5 per cent of the regional population).

Looking at homes worth $200,000 and above, there appears to be some basis for the City's concern over its comparatively low share of high-end housing is has implications for the City's financial position., Winnipeg had 47 per cent compared of new houses assessed at between $200,000 and $249,000, while East St. Paul had 19 per cent, St. Andrews had 7 per cent, and St. Clements had 6 per cent (with each of these RMs have approximately 1 per cent of the regional population). Winnipeg had 52 per cent of the new houses in $250,000-$299,000 assessment range, compared to 26 per cent in East St. Paul and 5 per cent in Headingley. Finally, 57 per cent of new homes assessed at over $300,000 were constructed in Winnipeg, 32 per cent in East St. Paul, and 4 per cent in Headingley.

In summary, over the last ten years Winnipeg's share of housing starts in the Capital Region has declined and this trend has been more pronounced for high-end homes. Among the fifteen other Capital Region municipalities, the RMs of East St. Paul and Headingley have done particularly well in attracting more expensive homes.

For some commentators these gradual, but significant shifts in population and housing activity are evidence of wasteful sprawl. The problem is said to be even worse than in regions experiencing faster growth because in those situations rapid development will ensure the more immediate use of the expensive infrastructure. In contrast, when a region is experiencing slow growth, the population is simply spreading out and adding to the infrastructure and service costs. In such regions sprawl can also mean that agricultural land and open spaces are prematurely diverted to other uses. These risks are present in the Manitoba Capital Region. On the matter of density, the mean population density for the urbanized portion of Winnipeg declined from 1971-1996 by 16 per cent, the second highest decline among nine large Canadian cities. Only two cities showed increased densities during this period (Lennon and Leo).

There is a debate among specialists in the field over how density ought to be measured and analyzed, particularly in terms of how it changes, and over the policy significance of data on density. For such a debate to take place on an informed basis requires valid, reliable, and consistent data that is gathered on a continuing basis. This is one dimension of regional life that should be tracked in the Geographic Information System discussed later in this chapter.

Most of the development outside of Winnipeg has occurred in concentrated pockets. As noted earlier, several areas within the Capital Region have experienced a decrease in population growth, such as the Rural Municipality of Ritchot and the City of Selkirk. The areas that have experienced growth, have primarily experienced urban residential development in existing urban centres such as Lorette, Stonewall, Birds Hill, and Oakbank. Within the fifteen surrounding municipalities, approximately 40 per cent of the population resides in the City of Selkirk, towns such as Stonewall, and other built-up centres. In other words, even outside of Winnipeg, population is concentrated to a significant degree and development is relatively compact.

The reasons for ex-urban sprawl

There is no single explanation for the now decades long trend of movement of people and residential development to the communities adjacent to Winnipeg. Both "push" and "pull" factors are involved. The opinion survey conducted for the RPAC (and summarized in Chapter Three) showed that concerns about perceived high levels of property taxes, crime and safety, the desire to own larger homes on larger lots, rural lifestyles, and the relative ease of access to employment, shopping, health care, and other amenities in the City of Winnipeg are some of the main reasons why people chose to live in the surrounding municipalities.

It must also be noted that there are potential drawbacks to living outside of the Region's major centre. There are the both the financial costs and the time and difficulties involved with commuting, especially during the winter months. Both the number and the quality of services available from all levels of government are lower or not as readily available. There are often extra fees involved with accessing city services such as libraries and swimming pools. Sewer and water may have to be provided privately and there have been septic field failures and boil water orders. Living in an area undergoing transition from a rural, agricultural character to a more urban-like character may involve living with dust, odors, flooding, and other disruptions. Living in the country also means less immediate access to shopping and entertainment centres. In summary, the argument that people migrate to the adjacent municipalities to escape high city taxes, congestion, crime, and other social problems is too simple.

In summary, when fast growth is involved the costs of sprawl are usually more immediate and visible. In the case of both urban and ex-urban sprawl within the Manitoba Capital Region, the impacts may be less obvious. The relatively slow pace of change here should enable better planning and growth management. A province and a region that is less economically dynamic and financially strong than other parts of the country must be smarter in its planning and regulatory activities to maximize its opportunities and to minimize its risks.

PATTERNS OF COMMERCIAL/INDUSTRIAL DEVELOPMENT

Most of the debate over ex-urban sprawl and the problems within Winnipeg has focused on population and housing shifts. There has been less concern with the changing patterns of commercial and industrial development within the Region. In part this is due to the relative lack of data on movements in business locations compared with population movements. Data from the *Financial Post 500 Companies* annual survey reveals that nationally suburbs have been posting faster growth of head offices than central business districts over the past decade. The availability of cheap land and less restrictive zoning requirements encourage this trend. But the explanation is not purely economic. Businesses and individuals have been seeking a higher quality of life by distancing themselves from the problems that are perceived to beset the downtown core. With a critical mass of people moving to the suburbs, it is natural that many retailers—especially the big box stores—should follow.

The vast majority of commercial and industrial activity within the Capital Region still takes place in Winnipeg. There have, however, been recent high profile cases of businesses locating or relocating just outside the city limits: Kleysen Transport moved to the Rural Municipality of Macdonald, the Husky Energy Emulsion plant went into the Rural Municipality of Springfield, and a large agri-business set up operations in Oakbluff. Low property and business taxes, the availability of large tracts of inexpensive land, the presence in some cases of rail service, and more accommodating development rules are among the factors contributing to such decisions. The economic connections between Winnipeg and the surrounding municipalities also flow in the opposite direction. Development of shopping malls on the City's outskirts draws retail business away from local communities. For example, the Town of Stonewall is said to have lost ten stores over the past two years because local residents had switched to shopping in Winnipeg (Redekop, 2002).

The above discussion illustrates the point made more fully in Chapter Seven, namely that Winnipeg and the surrounding municipalities operate as an interdependent economic market. Even though the evidence is mainly anecdotal, it is clear that the various communities that comprise the Capital Region compete to some extent for investment, jobs, people, and tax revenues. It is difficult to determine the nature, frequency, and intensity of such competition. However, it is probably safe to assume that there is less intermunicipal competition within the Manitoba Capital Region than in faster growth regions in Canada and in the United States.

PATTERNS OF DEVELOPMENT AND INFRASTRUCTURE COSTS

A worrisome aspect of the existing patterns of residential and commercial industrial development is the potential infrastructure and service costs for economically disadvantaged areas of the Region. Several times during the RPAC's hearings, presenters challenged the Committee to produce an objective and comprehensive analysis of who pays and who benefits from government and other expenditures on infrastructure features (such as roads, bridges, water and sewage systems) and community institutions (such as parks, river facilities, museums, art galleries and entertainment complexes). The RPAC recognizes that such a study might promote greater transparency and accountability in spending. It could help to counter perennial complaints that the City of Winnipeg is always favored by the senior levels of government or that the outside municipalities are "free riders" with access to city facilities without having to pay for them. Such complaints reflect a lack of understanding that both the costs and benefits of infrastructure and community assets are widely shared, both within the Region and beyond.

However, as Chapter Nine demonstrates there are numerous complicated financial transfers from the Government of Manitoba to the sixteen Capital Region municipalities. Clarifying who "pays" and who "benefits" might be possible up to a point, but there will always be limits to any analysis of regional public finances. Therefore, there will always be room for controversy. In the RPAC's opinion governments and citizens need to drop the balance-sheet approach of seeking to identify winners and losers and adopt a broader, longer term approach toward improving the overall economic, social, and environmental well-being of the Region.

Several Canadian and American studies have found that residential development, particularly in low-density areas, usually does not pay enough in property taxes to cover the costs of services required over the life-cycle of the infrastructure. In Manitoba, developers are usually responsible for the costs of initially installing "hard" services, such as water, sewer and storm sewer lines, streets, sidewalks, trees, and lights for new developments. For example, in recent housing developments in East St. Paul the developers have all installed separate sewage treatment plants with the cost being passed on to the homeowner. However, soon after the hard services have been installed, municipalities inherit the maintenance of the infrastructure for the remainder of its lifecycle, and are responsible for its replacement. Often, ever-increasing maintenance and replacement costs are not factored into the costs borne by the developers. Rather, the costs are borne by the municipality, which also has to cover the costs of the maintenance and replacement of existing infrastructure in other parts of the municipality. Because developers pass their long-term costs along to their customers, buyers into a new community essentially pay the costs of the new infrastructure. Costs borne by the municipality are borne by their "customers," namely the property-tax payers.

Hard services are not the only costs of a community. "Soft services," such as street sweeping, sidewalk and street snow clearing, garbage collection, fire protection, police service, ambulance service, public transit, and boulevard and park maintenance, are usually paid for by the municipality rather than the developer. Incremental expansion of communities may also necessitate the extension of transit services, construction of a new fire hall, new water or waste treatment plants, or pumping stations, all at costs of millions of dollars. Of course residents of new developments expect to pay for those neighbourhood services in their municipal taxes. However, it is important to bear in mind, that like the hard services, soft services must also be paid for in existing neighbourhoods. Since the municipality bears all of the costs for both new and existing neighbourhoods, these costs are eventually passed along to the municipality's principal revenue source, the property tax payer.

For these reasons, it is encouraging that Plan Winnipeg and other Capital Region development plans are committed to in-fill development and maximizing the use of *existing* infrastructure before new services are installed. Although the short-term balance sheet may show a zero-sum for the development of a new community because the streets and sidewalks are paid for by the developer, over the lifecycle of hard and soft services, in a municipality that relies on property taxes as its main source of income, the development of rural or greenfield areas will mean higher taxes for property owners. Further study of these points, illustrated by examples from the Capital Region, would be of benefit to many of its residents and to those councillors who must make decisions based upon the best knowledge available.

SPRAWL AND INNER CITY PROBLEMS

It is frequently asserted that sprawl and inner-city decline are mutually reinforcing. In simplified terms, the argument is that suburban expansion and the growth of the surrounding communities have encouraged people and businesses to move to those locations, thereby weakening both the social life of the inner-city neighborhoods and the economic strength of downtown Winnipeg. Increased costs of infrastructure and service provision to a slow-growing, more dispersed population is said to cause property and business taxes to rise, making Winnipeg less competitive with other urban centres. Low-income households and disadvantaged minority groups end up being disproportionately concentrated in the inner city and the incidence of social problems—such as poverty, poor housing and crime—is higher in those parts of the city.

Proving the validity of these charges is difficult. If there is a cause-effect relationship, the causal connections between sprawl and decline are less straightforward, direct or immediate than is usually suggested in public debates. The fact that both sprawl and inner-city decline are complex, multi-dimensional processes makes measurement, analysis, and attribution difficult. In the interest of greater public understanding, it is useful to identify some of the complications involved regarding the relationship between sprawl and inner-city decline.

The consequences of sprawl within the City of Winnipeg can be different in their nature, extent, location, and timing from sprawl taking place outside of its boundaries. Therefore, to draw a valid connection between problems in downtown Winnipeg and sprawl requires the specification of what constitutes sprawl coupled with a careful analysis of its impacts and where those impacts occur. When approached in this more systematic manner, proving the links between sprawl and inner city decline has proven to be difficult.

Professor Anthony Downs, a Nobel Prize winning economist and the leading U.S. expert on urban sprawl undertook just such an analytical effort. Downs identified four measures of sprawl and used city population change from 1980-1990 to measure decline (Downs, 2000). After testing over 200 independent variables, Downs found that it was difficult to offer statistical proof of the direct relationship between sprawl and inner-city decline. Based on further analysis, however, he concluded that "Smart Growth" strategies that directly address the concentration of poor, minority-group households in the core areas of cities are required to ameliorate the urgent issues of inner city decline. Among these strategies Downs suggests:

a) the redevelopment of inner city core areas to improve the quality of life for the people who live there and to attract middle and upper income households

b) the opening up of existing suburban communities to include lower-cost housing

Caution must be exercised in generalizing from Down's findings, which pertain to cities in the U.S. where the economic and social circumstances are quite different from the Winnipeg region. The RPAC is not in a position to state unequivocally that development taking place in the Capital Region outside of Winnipeg has had no connection to the problems facing the downtown and inner-city neighbourhoods of Winnipeg. However, the number of and importance of the government and private-sector development and location decisions made within the City of Winnipeg greatly exceed similar decisions involving the surrounding communities. In other words, over the past several decades, the thousands of decisions made by Winnipeg City Council, private investors, and citizens acting as residents, employees, and consumers have done more to shape the patterns of residential and commercial development in Winnipeg than the average 484 homes built annually in the outside communities or the seemingly small number of businesses choosing to set up operations just outside of Winnipeg.

Even if one cannot fully explain the recent development patterns it is time to move beyond the "city-versus-country" debate, which often becomes polarized into negative stereotypes and misunderstandings. Not everyone living in the adjacent municipalities has fled Winnipeg to escape taxes, crime, and congestion; many have returned to their home communities after a time away or have opted for a more rural lifestyle. The City of Winnipeg is no longer the "high cost/high tax" jurisdiction it once was. It has lowered its property taxes and become one of the most efficient cities in the country in terms of the per capita cost of provision of services. The City of Winnipeg is also addressing issues of downtown decline and inner-city crime, and seems to be poised on the brink of a significant improvement in the economic and social health of its downtown. In the past, City Council has been criticized for favouring suburban residential expansion and large shopping mall complexes over downtown revitalization. Its official planning document, *Plan Winnipeg 2020 Vision*, strongly endorses a compact urban form as the best way to use scarce capital dollars and to control ongoing service costs.

The RPAC acknowledges the progress that is being made on downtown renewal in Winnipeg. It has become a recognized leader among Canadian cities in the development and implementation of successful tripartite agreements involving significant federal, provincial, and municipal investment in urban revitalization. Two tripartite agreements have focused specifically on core area renewal. The first Core Area Initiative (CAI) was in place from 1981-1986 and was then renewed for an additional six years to 1992. The Winnipeg Development Agreement followed in 1995, expiring in 2001. These initiatives provided a much-needed source of revenue and administrative co-ordination that maintained and strengthened human and material resources in Winnipeg's core area. On January 26, 2003, the Governments of Canada, Manitoba, and Winnipeg signed a Memorandum of Understanding to negotiate a renewed Urban Development Agreement for the City of Winnipeg. The Core Area Initiative agreements and other initiatives have not solved all the problems of the inner city, but it is difficult to imagine what conditions would be like if such investments had not been made.

In 2000, the Governments of Canada, Manitoba, and the City of Winnipeg established the Winnipeg Housing and Homelessness Initiative (WHHI), a tripartite agreement to address declining housing stock, homelessness, and the revitalization of Winnipeg's older neighbourhoods.

The Government of Manitoba's Neighbourhoods Alive! Initiative was launched in 2000 to encourage community-driven revitalization in designated older urban neighbourhoods in Winnipeg, Brandon, and Thompson. In Winnipeg, five high-needs Major Improvement Areas have been targeted: Lord Selkirk, Point Douglas, Spence, West Broadway, and William Whyte. Local Neighbourhood Renewal Corporations have been established in the North End, West Broadway and Spence neighbourhoods to initiate community development strategies that involve the leadership of local residents. These Neighbourhood Renewal Corporations are coordinating community efforts in the areas of housing and physical improvement, employment and training, education and recreation, safety, and crime prevention.

Complementing this program is a $14-million agreement funded equally between the Province and the City of Winnipeg over five years and administered by the City of Winnipeg entitled *Building Communities*. Six areas of the City that border on the high-needs neighbourhoods have been targeted including Luxton/Seven Oaks/ St. John's Park, Burrows Central, North and Central St. Boniface including Tissot and Dufresne, Sargent Park/Minto, Wolseley, and St. George/Worthington. Capital funds are available to assist these communities to address their physical improvement needs. Improvements can include the renovation and/or expansion of public community facilities; construction, replacement, renovation and/or removal of the municipal infrastructure; land acquisition for housing, community facilities and urban safety initiatives.

The City of Winnipeg has also created CentreVenture, a quasi-municipal body with a mandate to attract business and housing to downtown Winnipeg through the administration of Heritage and Downtown Tax Credit Programs, establishment of an Urban Bank, and a downtown Residential Demonstration Project. The Province and the City of Winnipeg are working together to restore Winnipeg's downtown as a centre for commercial, retail, entertainment, and residential activity. Projects include the downtown Red River College expansion, the Provencher Bridge and Pedestrian Bridge projects, Waterfront Drive, the Arts Consortium mixed-use development in the Exchange District, the True North Entertainment Centre, and initiatives at The Forks. As part of downtown revitalization, the public sector has relocated offices and services to the downtown, such as the provincial Department of Health, Employment and Income Assistance of the Family Services Department, and planned Manitoba Hydro office relocation.

In order to address decline in inner-city neighbourhoods, the RPAC supports, as a general approach the following actions:

1. the redevelopment of inner core neighbourhoods to improve the quality of life and housing for low-income families
2. incentives for the development of sustainable housing in downtown neighbourhoods to attract middle and upper income households
3. in-fill housing in existing suburban neighbourhoods after careful assessment of available open space requirements is made
4. a mix of sustainable housing development in suburban areas contiguous to existing

neighbourhoods within the City of Winnipeg affordable to both low and middle income households

SUMMARIZING THE SPRAWL DEBATE

As the foregoing discussion of patterns of development makes clear, the issue of sprawl is complicated and controversial. To briefly summarize the RPAC's major findings on the issue:

- The Manitoba Capital Region resembles other city regions in its dispersed population patterns.
- With 64 per cent of the provincial GDP produced in Winnipeg, Manitoba has the highest concentration of economic activity in one city of any province.
- The Manitoba Capital Region has been a slow growth region for several decades, but there has still been lively debate over sprawl and its consequences. The sprawl debate involves philosophical disagreements over freedom of choice and reliance upon markets versus the need to manage development and to protect the public interest.
- To this point most of the debate over sprawl within Manitoba's Capital Region has focused on shifts in population and housing rather than the movement of commercial and industrial activity.
- The causal links between different types of sprawl and their impacts are difficult to demonstrate conclusively.
- Private and government decisions in favour of suburban expansion within the City of Winnipeg probably contributed more to the challenges facing downtown Winnipeg than developments taking place in the surrounding communities.
- The challenges facing downtown Winnipeg are multi-dimensional and accordingly require more than one policy responses (such as curbing sprawl). All three governments have recognized this with a range of policy initiatives.
- There is a clear need for better indicators of regional growth dynamics and better analysis of how different parts of the Region relate to one another in social, economic and environmental terms.

In conclusion, the consequences of sprawl, especially in the medium to long-range future are sufficiently serious that the Government of Manitoba should play an active, clear, consistent and committed role in addressing the issues involved.

PROVINCIAL POLICY LEADERSHIP ON SPRAWL RELATED ISSUES: THE OPTIONS

Ideally, the provincial role will be based upon collaboration with municipal governments, but ultimately the Government of Manitoba is the only institution that has a legal and political mandate to address regional problems. Respect for local democracy and the jurisdiction of the municipalities, or the fear of resistance and a backlash to alleged provincial intrusions, should not be excuses for inaction when issues with regional implications cannot be resolved by individual municipalities or groups of municipalities acting cooperatively. The broad issue of sprawl is an example of where policy leadership, support to municipalities and direct action by the provincial government are required.

The previous chapter reviewed the current planning process and the policies by which the process is guided. Chapter Fourteen outlines the RPAC's recommendations for improvements to the process and the PLUPs. The rest of this chapter is devoted to a consideration of other policy measures that might be used in addition to the current policy tools. These include:

- Smart Growth
- Urban Growth Boundaries
- Financial mechanisms
- Cost of Community Services Studies
- Geographic Information Systems

The Smart Growth Option

Smart Growth (SG) has become very fashionable recently and in the process has lost much of whatever precision of meaning it once had. The positive and ambiguous nature of the term means that groups with divergent perspectives on growth management can all endorse the concept while simultaneously disagreeing over what it means in practice.

Fundamentally, the Smart Growth concept is not all that new. Reflecting many of the traditional principles of sound planning, it emphasizes inter-jurisdictional cooperation and coordination. It captures the rising concern about the environmental sustainability of growth and development. It recognizes the problems of financial sustainability caused by continuous outward expansion of cities. Finally, it entails a strong emphasis on enhancing the quality of life of communities.

There is no universally accepted definition of Smart Growth. It has been defined simply as "a better way to grow." The Ontario Professional Planners Institute in a recent position paper argued that Smart Growth principles are based "on good planning—the orderly development of socially economically and environmentally sustainable communities and the efficient and effective use of public investments." (Ontario Professional Planners Institute) Another, frequently quoted definition comes from the Urban Land Institute in the United States: "Smart Growth is growth that is economically sound, environmentally friendly and supportive of community livability—growth than enhances our quality of life." Given all these positive qualities it is not surprising that Smart Growth has become the fastest selling elixir for all that ails urban regions.

The Smart Growth movement began its life in the United States during the mid-1990s, when, as American cities continued to sprawl, the negative consequences became more obvious. Business people, commuters, and local governments now joined environmentalists, who had long deplored this trend, in demanding a new approach to growth management. State officials, searching for a way that would allow for necessary growth in ways that were less wasteful of resources and less likely to cause political conflict, came up with the concept of Smart Growth. The concept took off, with most major cities, states, and even the federal government jumping on the Smart Growth bandwagon. Perhaps this is not surprising because the United States has the most spatially dispersed urban regions in the world and the economic and social consequences of sprawl are more visible and serious there than in Canada.

In Canada, the Ontario Government embarked in the spring of 2002 on the development of a Smart Growth vision and action plan. As Canada's most urbanized province and with the problems facing the Greater Toronto Area, it is not surprising that Ontario leads the Smart Growth parade in Canada. The Government of Ontario proposed establishing Smart Growth Management Councils (SGMCs) to develop integrated Smart Growth Management Plans for five areas across the province. SGMCs would consist of 15-30 representatives from the province, municipalities, private sector and NGOs. Among the functions assigned to SGMCs would be:

- to advise the province and municipalities on SG issues
- to develop integrated SG Management Plans for the five zones
- to identify improvements to the planning, delivery and integration of zone-wide services
- to provide a forum to coordinate municipal official plans and infrastructure plans

Smart Growth management plans to be developed by the councils were to include a long-term vision for economic growth, strategies to improve quality of life by integrating services, area-wide integrated transportation services, and strategies to increase housing choices.

Reactions to Ontario's Smart Growth proposals were mixed. Smart Growth principles were usually endorsed (who could be against such a noble concept), but the practical features of the Ontario plan were rejected. Municipalities, fearing the loss of jurisdiction to another tier of government, were critical of the fact that members of the SGMCs would be appointed by the provincial government rather than elected and called for appointments from their members. The Ontario Professional Planners Institute endorsed an integrated approach to managing growth, but worried that the proposed councils would represent another level of planning which lacked authority, would be time consuming, and would not encourage public consultation and accountability. Despite these and other objections the first of five SGMCs (for the Niagara Region) was announced by the Ontario Government in February 2002.

Unfortunately, applying the positive but vague ideas that comprise Smart Growth is not much different or any easier than past attempts at comprehensive growth management. The RPAC recommends that the provincial government continue to monitor the development of Smart Growth initiatives elsewhere. The true test of such initiatives will be the willingness of governments and communities to forge a real consensus on specific objectives, to develop practical steps towards success, and to develop meaningful indicators to measure progress. If attaching the label "Smart Growth" to such activities helps to widen the coalition of groups in support of the broad approach then let us do so. However, one should not mistake the slogan and the marketing surrounding Smart Growth as a substitute for the hard work of integrating local planning with regional concerns, coordinating programs among and within governments, ensuring that wise investments in infrastructure are made, and considering fully the long-term environmental and social impacts of today's decisions.

The Concept of an Urban Growth Boundary

One of the most popular tools of the Smart Growth and comprehensive land-use planning movement is the concept of an urban growth boundary (UGB). UGBs are drawn for specific urban areas and are meant to accommodate projected growth for a given period of time, frequently for 20 years. There are three elements of this approach. The first is a clear designation of residential, commercial, and industrial land for development within the UGBs. Outside of the UGBs, land is primarily reserved for agriculture, recreation, and special areas with no zoning permitted for urban development. Second, within the UGB there are specific plans for water, sewer, roads, and other essential facilities. Third, there is a fast-track approval process for development proposals. The adoption of a UGB for a particular metropolitan area can be a voluntary decision by local governments (e.g., in Lancaster County, Pennsylvania, 22 townships adopted UGBs) or it can be mandated by state law (the most prominent example is the 1973 state law in Oregon which required each locality to adopt a UGB).

According to David Rusk, a leading writer on urban policy and a former mayor of Albuquerque, there are eight reasons why UGBs became popular:

1. pro-farming: outside of the UGB farmers can buy land at agricultural prices, not potential subdivision prices
2. pro-industry: within the UGBs there is a relatively controversy-free, fast-track processing of development proposals
3. pro-redevelopment: by containing growth there is an incentive for in-fill housing and for downtown development
4. pro-taxpayer: high density saves taxpayer dollars on infrastructure;
5. pro-environment: protection for farmland and natural areas
6. pro-energy: reduces automobile dependence and fuel consumption
7. pro-property rights: limits land speculation and overbuilding thus protecting existing residential and commercial property values
8. pro-homeowner: smaller lot sizes reduces housing prices through lower land costs and development fees

While these are the presumed advantages of UGBs, there is controversy over whether existing schemes achieve them and whether other, negative impacts occur.

The controversy is highlighted by the case of Portland, Oregon, the location which Smart Growth reformers most often cite as illustrating the advantages of UGBs. Facing fast growth pressures during the 1960s and 1970s, the Oregon State legislature passed *The Oregon Land Use Act*, which has led to the development of a statewide land-use planning program. When examining the role of the UGBs that surround Oregon's 240 cities and 36 counties, it is important to recognize the contribution of the other elements of the state's land-use planning process. Therefore, before examining the experience with the UGB in Portland, it is necessary to discuss briefly the institutional context within which that development tool has been used.

Oregon does not have a state land-use plan per se. The state requires cities and counties to adopt comprehensive plans and land-use regulations (including zoning). Standards and requirements for local planning are set through statutes, statewide planning goals, and administrative rules. The state government periodically reviews local comprehensive plans and amendments to those plans. Reviews are conducted by a Land Conservation and Development Commission (LCDC), which consists of seven citizen members appointed by the Governor and confirmed by the Senate (the upper house of the Oregon legislature). Advice and administrative support to the LCDC is provided by a relatively small (64 staff and a budget of $64 million in 1999-2000) state agency called the Department of Land Conservation and Development (DLCD). These features of the Oregon model are very similar to the Manitoba approach. Here provincial statutes provide the legal framework for local planning activities and the Provincial Land Use Policies provide guidelines and/or criteria against which development plan by-laws are reviewed and approved by the Province. The difference in the Manitoba model is that elected politicians rather than appointed members of a commission make the final decisions on development plan by-laws. The Manitoba approach is consistent with our system of cabinet-parliamentary government in which responsible ministers ultimately answer to voters for the actions and inactions of governments.

The Oregon system also includes the Land Use Board of Appeals (LUBA), an independent special "court" to rule on matters involving land use and planning. LUBA consists of three members appointed by the Governor and confirmed by the Senate. LUBA rules on appeals of land-use decisions made by local governments and state agencies. Its decisions can, in turn, be appealed to the state courts. In Manitoba, the provincially appointed Municipal Board plays a comparable role, hearing appeals on assessment issues (more than 90 per cent of its caseload) and on planning issues. On development plan by-laws, the Board makes recommendations to the minister, rather than issuing binding legal orders. On zoning by-laws and subdivision appeals, the Board's decision is final. Again, the key difference from the Oregon model is that the elected minister has the final say on development plan by-laws.

A third feature of the Oregon model is the set of nineteen statewide planning goals adopted by the LCDC in the mid-1970s. The planning goals provide the framework for a statewide program of land-use planning. There are state policies on urban and rural land uses, urban growth, resource management, economic development, coastal protection, natural hazards, and citizen involvement. Land-use plans must be consistent with these goals as determined by the LCDC. Again, the equivalent features of the Manitoba model are the Provincial Land Use Policies (PLUPs). These policies are a regulation and are therefore legally binding. While somewhat different in content, the Manitoba and Oregon rules are similar in the multiple, vague goals that they declare, with the Oregon rules being somewhat more specific and mandatory in character. More significant has been the fact that, when compared with Manitoba, the Oregon government has shown a greater commitment to interpreting and applying the rules in a consistent fashion.

The fourth and most famous feature of Oregon's land-use planning program has been the requirement that each of its 240 cities adopt a UGB. Significantly, state funds were made available for land acquisition and region-shaping infrastructure and operating funds were provided to local governments to improve their planning capabilities. Similarly, the Government of Manitoba provides funds and planning services to municipalities and planning districts.

Because it has attracted so much attention, Portland's experience with a UGB will be discussed here. Portland adopted its UGB in 1979. It was intended to accommodate 20 years of anticipated growth. The boundary was revised for another 20 years in 1999. Again, certain distinctive features of the Portland situation have to be recognized in any assessment of the success of its efforts at growth management. The governance structure for metropolitan Portland area includes a directly elected regional council and executive to handle a moderate range of regional responsibilities. First created in 1979, the regional council of seven members serves 24 cities and three counties in the Portland region. In 1992 it was granted a home-rule charter by the state. The primary function of the council has become long-range land-use and transportation planning. A state law gives the Metro Council authority to compel the region's cities and counties to change their plans if they conflict with issues of "regional significance." For example, Metro dropped plans for a suburban beltway because it would promote sprawl and it was responsible for selecting the site for the region's $65-million convention centre. However, Metro is not all powerful. It does not provide water, sewer, police, airport, parks, or many other services for the region.

In December 1995, Metro adopted a regional land-use policy document called the *Region 2040 Growth Concept*. It was intended to:

- encourage compact development near transit
- preserve existing neighborhoods
- identify rural reserves that would not be added to the UGB
- set goals for permanent open space within the UGB
- recognize the need for cooperation among local governments

The UGB separates urban from rural lands and establishes urban reserves outside of the UGB designated for future urbanization as the need arises. Rural reserves are a combination of public and private lands designated never to be urbanized. In summary, there are a number of features in the Portland model which go beyond simply drawing a boundary line around urban growth.

Widely heralded as a model for urban growth management, the Portland experiment has still been controversial. The UGB has increased density within the Portland area. Prior to the imposition of the UGB in 1979, new population was added at the density of 2,448 per square mile. In the decade after the imposition of the boundary, population was added at the density of 3,744 per square mile, a 53 per cent increase. But under tremendous pressures of population growth, the urbanized area of Portland still extended across an additional 39 square miles. An on-line article at the Sprawl City site in 2000 noted that breaks through the sprawl barrier were becoming more common and resistance to higher densities and in-fill development was increasing (Sprawl City web site). More Portland residents were complaining about the rising traffic congestion and surging housing prices that were the result of trying to contain sprawl while experiencing rapid population growth. Some writers, such as David Rusk, credit the UGB with revitalizing downtown Portland. The share of regional employment in the central city area has held steady and there are four major department stores downtown. With the region's emphasis on compact development and alternatives to the automobile, over 40 per cent of the people enter the downtown by light rail, bus, bicycle, or on foot. (David Rusk's extensive writings on city planning can be viewed at his web site.)

What is the relevance of the Portland experience to the Manitoba Capital Region? Unlike Portland, there is no rapid growth in and around Winnipeg. And unlike Oregon, there are no fragile coastal areas involved, so there is less public and political concern to protect the environment. The greater acceptability of regional planning in Oregon led to the creation of a metropolitan council, something that Manitoba discarded in 1972 when the thirteen Greater Winnipeg municipalities were amalgamated into Unicity. The current Government of Manitoba has rejected another tier of government for the Capital Region and no one who spoke to the RPAC favoured the idea. Like other cities in Oregon, Portland was bound by state statutes and strong state oversight bodies responsible for enforcing tough state planning standards. In addition to sanctions, the state also used incentives such as money for land acquisition for appropriate infrastructure projects and to assist local governments to develop their planning capabilities. State leadership was an important requirement for planning success in Oregon. There has not been the same clarity, consistency, and commitment to regional planning in Manitoba.

There have been positive results from UGBs in Oregon, including for the Portland region, but this success is due in part to the presence of other features of the statewide planning system. Drawing UGBs around Winnipeg and other urban centres in the Manitoba Capital Region would be difficult and controversial because there is not the same set of problems faced by governments within the Portland region.

Financial Mechanisms to Curb Sprawl

An alternative to drawing a line to contain sprawl would be to discourage it by changes to the way that government services are financed. Many people would have fewer concerns about land developments of various kinds if revenues from new development fully covered the costs of providing services, particularly roads, water services, sewers, solid waste disposals, and schools in perpetuity. Currently, this is rarely the case.

The recognition of the fact that different land uses have different financial impacts should stimulate study on the costs of various kinds of development. Such information would promote better-informed and longer-term local decision-making. What proportion of municipal revenues are attributable to major categories of land use: residential, commercial, industrial, and farm/open land? What is the net fiscal contribution—i.e. the revenues compared to the expenditures—of different land uses to local budgets? If a particular development proceeds, will taxes have to be raised? If the costs exceed the revenues, how should the "deficit" be made up? These are the types of questions that studies would be intended to answer.

In the United States, Cost of Community Services Studies (COCS) have become increasingly popular in the more agricultural states. The American Farmland Trust promotes COCS studies as "an inexpensive, easy-to-understand way to determine the net fiscal contribution of different land uses to local budgets." This is done by first determining how much land is devoted to a particular use (residential, commercial or agriculture). Secondly, the costs of providing public services are determined and allocated to each of these particular land uses based on their prevalence in the community. The third step is to compare the costs of services with the revenues generated that are a *direct* result of land development. For example, property taxes are a direct result, but a provincial grant for highway improvements or "user fees" intended to have users "pay their way" are not considered revenues from development.

In 1998 the American Farmland Trust (AFT) reviewed the results of 40 COCS studies in eleven states. Twelve of these studies (30 per cent) were performed by the AFT and eleven (27.5 per cent) were conducted by the forest industry, which makes the findings suspect in the eyes of critics who see COCS studies as an unreliable basis for evaluating the cost effectiveness of different types of land development. Nevertheless, according to these studies, for every federal dollar raised in revenue, farmland requires government expenditures of just 31 cents. Commercial and industrial property is even more cost-effective: 29 cents was spent on public services. In comparison, low and middle-income housing is a losing proposition for local governments in the sense that they derive less revenue from property taxes and service fees than it costs them to provide services. This "deficit" is often covered by capital grants for infrastructure projects provided by the provincial government and sometimes by the federal government.

The further argument is that markets for land and various kinds of development do not operate in a neutral, unbiased way because of the hidden subsidies in the form of public expenditures on roads, water, utilities, and tax breaks of various kinds. It is also argued that many public services are priced at their average costs, not the actual cost of providing services to a particular site or development. For example, a local government might determine that the initial capital cost of providing sewer services is $4,000 per unit, regardless of the type of building. In some cases, the actual costs of a connection will exceed this cost, but the developer will not be charged actual cost. Instead, general revenues from the local government or provincial subsidies will make up the difference. In other cases, the first developer will pay the full costs through development fees and later arrivals to a location will pay the average costs, even if the marginal costs are low. The overall impact of such pricing decisions is that areas of high population density (where service costs are lower) end up subsidizing every dollar raised in revenues. Residential property was a net drain on local governments, costing a $1.11 for every dollar in revenues raised.

As already suggested COCS studies are controversial. A number of problems or limits of such studies have been identified. First, such studies present a relatively simple calculation of the flow of funds to and from specific land uses and ignore the potential wider impacts on the local community. For example, residential development may not initially pay for itself, but it may attract businesses to the community and thereby increase future revenues. New residents spend money locally causing an economic multiplier effect within the community. Secondly, COCS studies ignore non-land revenue sources such as grants from other levels of government, user fees, or private sources. Thirdly, COCS studies treat land uses as separate and ignore the interactions among various uses. Consideration of such interdependencies is necessary to make informed choices on economic growth and sustainable development. COCS studies presume that the current range and delivery method for services will continue into the future. Contracting out or user fees might bring costs closer in line with revenues. Finally, it is noted that COCS studies do not include the non-economic costs of some types of developments, such as the loss of scenic landscapes, increased traffic congestion and other factors associated with quality of life.

Whatever their limits, COCS studies have provided farmland preservation groups and Smart Growth advocates with powerful arguments. More importantly, they highlight the fact that efforts to promote growth can have substantial impacts on revenues and expenditures of local governments. When considering growth, communities and leaders should attempt to estimate those impacts.

A planning tool that is closely related to COCS studies is a fiscal impact analysis (FIA). FIAs differ from COCS studies in trying to capture in advance the multiplier effects of a particular proposed development within the local and even the regional economy. In other words, FIAs go around the relationship between a housing development, for example, and local government finances to look at the wider economic implications.

In the United States, there are two situations in which a FIA is typically prepared. The first, and most common, is for an individual development project. The developer prepares most such analyses. A second situation would be an attempt to forecast the anticipated, cumulative impacts of all developments over time. Only a few states require a fiscal impact analysis as part of their zoning or planning process. Vermont is unusual, therefore, in assigning fiscal or economic impact analysis a formal status in their statewide process for evaluating proposed development. Land-use decisions that have a significant impact beyond the boundaries of the local jurisdiction (such as decisions on large developments and certain developments near municipal boundaries) are subject to review by a regional commission. This review may consider (among other factors) the economic and fiscal impacts of the proposed development on adjacent communities. If the impacts are found to be negative, they can serve as one of the bases for rejection.

As with COCS studies, there are both conceptual and analytical issues involved with the preparation of FIAs. Most of the problems are related to the tendency of FIAs to take too narrow a focus in one way or another. FIAs done by a local government may not look at the financial implications of its decisions for other local jurisdictions or for other levels of government. Most FIAs consider projects one at a time and do not consider the cumulative impacts of a series of developments. This can be a serious problem when a region is undergoing rapid growth and a snapshot picture at one point in time may underestimate the longer-term cost implications. FIAs can also involve unduly rosy revenue projections, especially if heavy reliance is placed on the forecasts from developers. Finally, developments have impacts that go beyond municipal balance sheets. Environmental, social, and even visual impacts of development are also important.

The State of Wisconsin Community Guide to Development Impact Analysis recommends that the fiscal, environmental, socio-economic, and transportation impacts be considered by elected leaders, planners and citizens in making decisions on development proposals (Edwards, 2000). This approach presumes the existence of comprehensive land-use plans that would provide the necessary context in terms of the values and aspirations of the community for assessing particular proposals. Assessments involve the use of existing information, and where necessary the generation of new information. The *Guide* identifies impact areas, types of information required, worksheets and other methods used to assist local officials and planners along with a source for additional information and advice. The availability of such a practical guide for land-use planning recognizes that not all local governments will have the people with the required knowledge and the organizational capability to engage in carefully planned development.

Another approach to the control of sprawl and the financing of infrastructure to support new development is the imposition or negotiation of development charges (also called lot levies and impact fees). Development charges are made against developers who pass them along to their customers. Such charges are more widely used in the United States where they are usually called impact fees and are highly controversial. Canadian provinces vary widely in the extent to which they allow municipalities to impose development charges and the rules they apply to their use. In most provinces, the rules for the use of development charges are found in the provincial or municipal planning laws. Ontario is the only province with separate development charges legislation (*The Development Charges Act*, 1997).

Canadian municipalities use development charges to finance off-site infrastructure such as roads, sewers, water systems, and drainage (hard services). The alternative financing sources for new or expanded development within a municipality are general municipal revenues, reserve funds, municipal borrowing, charges to new residents, and grants from other levels of government.

Development charges gained popularity prior to the 1990s because of expanded support for the "user-pay principle", taxpayer resistance to higher property taxes, and reductions in financial transfers from the other levels of government. Controversies surrounding development charges caused some provincial governments to limit their use. Ontario, for example, banned their use to finance museums, art galleries, convention centers, parkland acquisition, waste management, hospitals, and city halls. In British Columbia, charges are permitted only to finance sewers, water, parks, roads, and drainage, although separate legislation allows Vancouver to finance housing and day care through this mechanism. In Manitoba, *The Planning Act* and *The City of Winnipeg Charter* authorize (but do not require) municipalities to collect development charges through the rezoning, subdivision, variance, or conditional use processes. However, when a development is a permitted use within a land-use zone, there is no authority to collect off-site development charges. This means that civic taxpayer must pay for new or upgraded off-site infrastructure generated by the developer. As part of a current review of the planning legislation, the Government of Manitoba is consulting stakeholders on the future use of development charges to finance off-site infrastructure where a development is a permitted use in a zone.

Critics of development charges, such as the Canadian Home Builders Association, have a number of reservations about the growing municipal reliance upon this source of infrastructure financing. Firstly, it is argued that the burden of financing infrastructure falls mainly upon first-time homebuyers and renters. This is said to be unfair because increased infrastructure costs are recognized as an inevitable consequence of population and economic growth that benefits society as a whole. New arrivals to a community pay higher prices for a house, but the growth they support increases the value of existing homes. Secondly, it is argued that local governments favour development charges because they represent a hidden tax, allowing governments to avoid raising taxes on existing properties. Thirdly, there is alleged to be too much discretion for local officials to determine development charges. As a result, numerous court cases have been fought over the reasonableness of such charges. Fourthly, development charges can provide short-term financial relief, especially for municipalities facing growth pressures, but can lead to property tax increases in the longer-term. Finally, critics question whether a financing method that adds to the cost of housing is the best public policy approach to the control of urban sprawl. Development charges may reflect a failure to plan for growth and/or a failure to maintain the existing infrastructure. (Lampert 2000; Slack, 2001).

To deal with some of these concerns, provincial governments place restrictions on the use of development charges. Municipalities in Ontario are required to forecast the need for infrastructure over ten years and specify what portion of future capital investment is growth-related. Ontario municipalities are also required to estimate the impact of their capital spending on future operating expenditures to determine if these costs can be met from local revenues. These rules are intended to avoid economically inefficient spending on infrastructure. The result has been lot levies higher than in Manitoba.

The RPAC believes that development charges have a part to play in financing infrastructure, but they should not be the primary mechanism to combat the problems of sprawl. Development charges should be seen as a supplementary and complementary means to support the land-use plans and regulatory processes. In determining the future use of development charges, the Government of Manitoba needs to address the following questions:

- Will development charges continue to be entirely voluntary on the part of municipalities?
- Will municipalities be required to apply charges selectively within their territory or to all similar developments throughout the municipality?
- Will development charges distinguish between "early" and "late" arrivals to a development area?
- What will be the process for establishing development charges? Will it be open to public scrutiny like other municipal financing processes?
- How will the amounts of development charges be calculated? Will there be consultation with stakeholders on the methodology of development charges?
- Will municipalities be required to estimate the costs of capital spending on future operating costs?
- How will financial accountability for development charges be ensured? Will revenues from development charges be held in a separate account? Will expenditures from those revenues only be used for infrastructure projects?

In summary, it is well accepted within Canadian jurisdictions that provincial governments set the rules respecting the use of development charges by municipalities. Development charges are not a panacea to the problems of sprawl and they are not a substitute for future planning.

Geographic Information Systems

A Geographic Information System (GIS) is a computer system that manages data identified by location. Examples of GIS data are administrative boundaries, land uses, and historic sites. With GIS, data can be displayed, assembled, stored, and manipulated. Such data are frequently displayed as maps. GIS represents a useful tool to enable public officials and the public at large to understand the content and the impact of various planning proposals and decisions. While planners and information technology specialists have used GIS to develop land-use policy for decades, recently the tool has been used more extensively to support public decision-making through growth modeling. GIS can be used to demonstrate the implications and impacts of development decisions, enabling officials to show not just how their community has changed over the years, but also how it will change for the future. Models can support overall growth planning and individual decisions, such as whether to build in an environmentally sensitive area. It can also be used to gather information on supply and demand of commercial and residential designated lands and lots on a regional basis. Growth modeling is not perfect; it cannot predict with certainty how communities will look in the future. The quality and quantity of the data used in the modeling will affect the validity and reliability of the forecasts. The programs offer the opportunity to examine different scenarios based upon different policy decisions. If applied on a regional basis, growth models can capture the cumulative impacts of the changes taking place within individual municipalities. This can combat parochialism in decision-making and promote the emergence of greater regional consciousness. (See: http://www.gis.com, a web page created by a GIS software firm for in introduction to GIS).

Portland, Oregon again provides a useful case study. In 1988, Metro, the regional government, began development of the Regional Land Information System (RLIS). RLIS was designed to be an urban planner's GIS to support community and regional planning. Its development was a collaborative project involving regional, county, and city planners who combined data from the region's cities and counties into an integrated whole. From a base layer of tax lot data, the RLIS has grown to cover more than 100 categories of data. The primary RLIS data layers are: tax lots, aerial photography, developed land, vacant land, land use, zoning, comprehensive plans, transportation, parks and open spaces, rivers, streams and watersheds, flood plains, political boundaries, places (schools, hospitals, etc.), building permits, and census tracts. RLIS has enabled development of an integrated land-use/transportation urban activity simulation model called metroscope, which is used to simulate future land development. The model's primary outputs are land availability and capacity, costs of development, changes in transportation infrastructure, and changes in demographics. Cooperative data sharing by all governments within the region has been a feature of the RLIS from the start. In 1997, RLIS was selected to receive an international GIS award.

Current and reliable data is essential for sound land-use planning and environmental management. The sixteen municipal governments which comprise the Manitoba Capital Region each collect data for their own purposes, and the provincial Department of Intergovernmental Affairs gathers data and generates analysis on some features of the region. However, during the course of its work the RPAC identified a number of significant gaps in the information available to guide governments in their decision-making, especially on a regional basis. Discussions are underway among governments about the development of a common database to capture the most salient features of the changing regional landscape.

The RPAC strongly endorses this initiative. The development of a GIS system represents an excellent region-building opportunity. A collaborative approach will ensure that the governments involved have a sense of ownership of the GIS asset. Once a GIS system is in operation, it will enable local officials to see the big picture, it will illustrate the interdependencies among the communities which comprise the region, and it will encourage more regional thinking and action based upon evidence of the likely future impacts of current decisions.

Good information is not a free resource, however. It takes time, staff and technology to produce a sound information system for planning purposes. There will be an enormous amount of work involved in collecting information and converting paper-based information into electronic files. A step-by-step, incremental approach probably represents the best way to promote cooperation and to control costs. The Portland model, often taken to represent the best practice in terms of GIS, took more than a decade to reach the current advanced stage of development and it is expensive, employing 40 developers and users and state-of-the-art technology.

The RPAC recommends that the provincial government fund a pilot project and work with the Partnership of Manitoba Capital Region Governments to prepare a business plan for a long-term development of a regional GIS system. The municipal contribution will consist of the gathering and input of data, along with the participation of municipal staff on technical committees. Issues of the ownership of the GIS data bank, where it is housed, who is responsible for its maintenance and when/how data gaps are to be filled, are all issues to be addressed cooperatively by the Partnership of Manitoba Capital Region Governments and the provincial government.

CONCLUSIONS

This chapter has put the wider debate over urban sprawl into the context of the Manitoba Capital Region. It has been noted that the debates over development involve balancing the choices of households and enterprises with the controls favoured by the community as determined through the political process. Balance is not always easy to achieve. It has to involve the accommodation of divergent interests and concerns. The results of regional planning will never be as spontaneous as the advocates of unfettered development would like to see, nor as orderly as the advocates of control would prefer.

Sprawl has become a loaded word; it suggests disorderly and uncontrolled development which wastes resources, leads to environmental damage and, for some people, creates aesthetically displeasing surroundings of homogeneous suburban communities served by large format shopping centers and continuous strip malls along major roads. This chapter has attempted to interpret the sprawl debate in more neutral terms and to examine the issues within the context of the Manitoba Capital Region. There are several forms of sprawl and multiple potential causes of the phenomenon. This means that there is no one policy response to the challenges posed by sprawl that will work in all circumstances. A practical and workable approach to addressing sprawl issues in the Manitoba Capital Region must take account of the distinctive features of the Region, including its relatively slow-growth character, its geographical and environmental features, and its history and traditions of how different governments have related to one another.

This chapter identified a number of policy approaches and regulatory techniques being used elsewhere to deal with sprawl. There are many different tools potentially available to support regional planning. During any given time period, certain tools are seen to represent "best practice," with the implication that all jurisdictions should adopt them as the "one best way" to improve the regional planning process. The RPAC favours the term "smart practice" rather than "best practice." The provincial government and its municipal partners within the Manitoba Capital Region should be aware of approaches being followed elsewhere, but they should not simply adopt such approaches without examining critically their relevance and transferability to the Manitoba context. Included in any assessment of the various approaches must be their affordability given the economic conditions of the Capital Region and the financial circumstances of its governments. Finally, the political feasibility of alternative approaches—that is the likelihood now or in the immediate future of securing political agreement among governments and others on their use—is another consideration.

None of the approaches reviewed in the earlier sections of this chapter represents a panacea or cure all for the challenges facing the Manitoba Capital Region. The RPAC believes that some of the approaches used elsewhere might supplement and complement the current planning system for the Manitoba Capital Region, but there is no need for a wholesale replacement or overhaul of that system. Put simply, the current planning system for the Region involves the setting of goals and standards for development by the provincial government with the achievement of those goals and the implementation of those standards occurring primarily through the development plan process at the local level. This system presumes that land-use decisions are normally best left to local governments familiar with local conditions and responsive to local concerns. The RPAC agrees with this presumption, but with an important qualification. It believes that both the language of the Provincial Land Use Policies and the application of those policies within the context of the provincial review of local development plans needs to be strengthened. This is the topic of Chapter Fourteen.

Chapter Thirteen

Sustainability and protection of the land and the water base

The previous chapter examined changing patterns in the built environment in Manitoba's Capital Region and the sorts of policies required to ensure that growth be guided in ways that make the best use of existing investments and not undermine core areas of currently settled communities. As that chapter made clear, geographic influences on the location and patterns of settlement along the rivers near the forks of the Red and Assiniboine Rivers have lost their force. Land-use and development since the coming of motor vehicles, though adjusted to old urban patterns, have felt few constraints other than those applied by corporate preferences, the decisions of Capital Region municipalities, and the location choices of individuals and families as to where they will live and work. We live in a region now defined by human desires and human behavior, such as the pull of Winnipeg as a centre of employment and services, a preference for country living, and a tolerance of daily travel in comfortable cars using inexpensive fuel. With exception of the threat of flood, we are only lightly controlled by natural phenomena. Yet we live in a sensitive environmental setting that can be easily modified and easily compromised by human decisions.

The subject of this chapter is the tremendous impact that the growth and expansion of human habitation and industry can have on the natural environment. Throughout this report the RPAC has argued that the Region's social and economic future depends on the development of a regional consciousness and region-wide planning. It has argued that the creation of a Partnership of Manitoba Capital Region Governments and the expansion of regional cooperation through tax and service sharing can play an important role in fostering such regional consciousness. This chapter makes a similar argument about the need for a regional approach to thinking about the environment. The chapter starts with a discussion of two resource sectors on which public debate and discussion is well developed—the future of regional farmland and protection for the Region's water resources—and concludes with a discussion of the need to develop a sustainable development plan for the Capital Region. A number of recommendations for changes in land-use policy flow from this chapter—they are contained in the following chapter, which outlines the RPAC's recommendations for strengthening Manitoba's land-use and planning policies.

THE PRESERVATION OF THE AGRICULTURAL LAND BASE

Three thousand Capital Region farms operate on 1.18 million acres (476,865 hectares) or about 10 per cent of the total farmland in Manitoba. The quality of the farmland in the Capital Region is very good. Eighty per cent of the land in the Capital Region is Canada Lands Inventory Class 1, 2 or 3 for agricultural capability.

There is a growing concern that too much of this land is being withdrawn from production. At the RPAC meetings and hearings many presenters expressed concern for the preservation of agricultural land in the Capital Region. Development pressures and a changing agricultural sector have led to high numbers of subdivision applications, and ensuing land-use conflicts across Manitoba. The pressures to subdivide and convert land to non-agricultural uses are strongest in the Capital Region. From 1981 to 2000, 15,399.36 acres of agricultural land were converted to residential land. It has led to the creation of 2.899 rural residential lots (9.912 acres) and 591 farm residential lots (5.486 acres) (Information provided by Manitoba Agriculture and Food). Though the conversion of agricultural land to residential land through subdivision may not appear rapid or unmanageable, it must be remembered that the benefits of good husbandry, such as raising crops for food, extend indefinitely into the future, while any development that replaces the soil resource has a finite life. Special protective care should be accorded to lands that are suitable for irrigation and agricultural use. Therefore development on agricultural land should proceed with caution.

It should also be noted that policies intended to direct urban growth in an efficient manner can come into conflict with policies intended to protect high-quality agricultural land. For example, a policy that seeks to ensure that growth is contiguous to existing built-over areas can direct development onto high-quality farmland.

There are numerous reasons for protecting agricultural land:

- There exists a world-wide need for agricultural production, creating a moral as well as an economic imperative to protect a finite resource.
- Localized sustainable models of production and consumption depend on local food production capability.
- The possibility that new technologies may make it possible to bring more land in the Capital Region into production.
- Lands in agricultural production contribute substantial environmental benefits to both urban and rural residents.

How we might protect agricultural land?

The most effective protection for agricultural land would be for farming to be a more profitable activity. Improving farm profitability raises policy issues that go beyond the scope of this Commission, but the point must be recognized. The variety of federal and provincial agricultural support programs represent an important policy tool for preserving Manitoba's agricultural sector. There is also an important role for the careful preparation, diligent review, and meticulous application of development plan policies and zoning by-laws. The Provincial Land Use Policies (PLUPs) anchor the preservation and protection of agricultural land upon the need to maintain an available base for present and future food production and agricultural diversification. The following chapter contains recommendations for the strengthening PLUPs and their ability to protect agricultural land. The issue of portioning the property tax assessment lands may also create an incentive to take land out of agricultural production.

Development pressures indicate that there may be a need to employ additional measures. To this end, it is worthwhile to briefly review the approach that is taken to protecting agricultural land in British Columbia and parts of the United States.

In British Columbia, a Land Reserve Commission (LRC) has a mandate to protect that province's agricultural base. The LRC regulates land use in the 4.7-million hectare Agricultural Land Reserve and works with various communities of interest to accommodate and support working farms and working forests on Reserve lands. The Commission provides advice on land use planning to local communities, adjudicates applications for the use of land in the Agricultural Land Reserve, and encourages farming to provide a basis for a sustainable economy and a secure source of food. It has broad powers to ensure that local plans do not conflict with *The Agricultural Land Reserve Act* and can investigate, hold hearings, levy fines, and seek court orders to ensure compliance with its orders.

In the United States, the 2002 *Farm Security and Rural Investment Act* earmarks $1 billion for farmland protection. Much of this fund goes to the purchase of conservation easements to compensate property owners in exchange for commitments to keep land in farming. Usually, the cash return to the farmer is the difference between the potential development value and the land's worth in agriculture. The legislation builds upon a long history of protection, frequently helped by federal funds that match state and county incentives. This is an approach that may have relevance for Manitoba.

One point that was emphasized at the RPAC's public hearings is that it is not helpful to talk in general terms about diminished agricultural activity in the Manitoba Capital Region. Instead it is necessary to take account of the differing patterns in each municipality. The development pressures on farmland are mainly felt in such municipalities as Springfield, while others such as Cartier and Macdonald are likely to remain rural in nature for the foreseeable future. Finally, there are other municipalities, such as East St. Paul, that can hardly be termed "rural" in character. Therefore an across the board approach to protecting farmland may not be appropriate.

Manitoba policy options

In the long run, one of the most effective ways of preserving farmland in the Capital Region may be through incentives to ease economic pressure on farmers. Development rights could be established as a property interest to be bought and sold. There is already a Manitoba precedent in *The Conservation Agreements Act*. Under the *Act* farmers can enter into agreements with a non-profit organization to accept some restrictions on land use—a common one would be an agreement not to drain a parcel of land. In exchange for this agreement, which is meant to preserve wetlands and protect the environment, farmers generally receive some form of tax benefit.

In Manitoba, legislation provides classifications for various types of properties. When properties are farmed on a commercial basis and where market values of land exceed a productivity level of value, the property owner may apply for what is known as a Farm Use designation. This allows taxes to be levied on a property at less than current market rate. If the use of this property changes, the owner is then liable for repayment of tax savings for each year for which the taxes were levied or for the five years immediately preceding the year in which the change of use took place; which ever is the lesser period. *The Conservation Agreements Act* could be amended to include farmers who agree to give up their property development rights.

Rules can also be put in place to ensure that the subdivision of land is carried out in way that limits the loss of agricultural land. Regulations regarding the placement of permanent features (for example, buildings on cement foundations) can ensure that the major portion of a parcel of land can be used for intensive farming if the situation requires. It should not be forgotten that most of the world's population subsists on very small land holdings.

THE WATER BASE

Provincial water management planning focuses on watersheds, basins, and aquifers, few of which are contained wholly within the Capital Region's boundaries. As a major water user, the Region requires policies that are consistent with the strategies applied in a much wider area—at its most extensive, the Nelson River Basin. It is also true that the needs of the Capital Region are part of wider provincial water planning and management.

Considerable attention has been applied recently to water management by the province. This has been accelerated by recent trends and events such as the deterioration of the water quality in Lake Winnipeg, the implications of climate change, boil water orders, and the water-related public health crises in Walkerton and North Battleford. The April 2003 discussion paper *Building a sustainable future: water—a proposed strategic plan for Manitoba* is a useful survey of the issues, referring to previous studies and consultations, describing current activity, and outlining what must be done to maintain a sustainable, high-quality water supply throughout Manitoba.

Groundwater

Drinking-water quality issues affect many communities and individual residences in Manitoba. There are several areas in Manitoba's Capital Region which are, or have recently been, on boil water orders, which means their untreated drinking water has deteriorated to the point of posing a health risk.

The recent report of Manitoba's Drinking Water Advisory Committee stated that maintaining water quality should be a principal consideration in any discussions of land-use planning. There are also concerns about the continued reliance on and the proliferation of private wells and septic fields in the Region.

The provincial government has recently announced a series of measures to further protect water supplies and Lake Winnipeg, such as the establishment of a Stewardship Board and new regulations to help maintain forests and vegetation along the Red and Assiniboine rivers. The Stewardship Board will help Manitobans identify further actions necessary to reduce nitrogen and phosphorous to pre-1970 levels in the lake by 13 per cent or more. Also proposed is a program to expand soil testing to ensure appropriate fertilizer application in both rural and urban settings. In April 2003 the government strengthened the sewage and septic field regulation that sets standards for the design and placement of such systems.

The cumulative impact of many small developments (one and two lot subdivisions for example) can have even greater impact on ground water than a single large development. The Province and the municipal governments are not doing an adequate job of monitoring the cumulative effects of numerous small developments on water supply and quality and on the environment generally. One clear necessity would be to better map, coordinate, and share information between and among departments and municipalities on well and septic field locations and sizes. This is a further argument for the Geographic Information System outlined in the previous chapter. The provincial government must enhance its system of measuring the cumulative impact of small developments.

The southwestern portion of the Capital Region—roughly the area south of the Assiniboine River and west of the Red River—has low quality (saline) groundwater. There has been evidence to suggest that this saline line has been moving east over the last number of years. The RPAC encourages the provincial government to take appropriate measures to ensure that the fresh/salt groundwater boundary remains relatively stable.

Septic fields are perhaps the most commonly used form of private sewage disposal in rural areas of the Capital Region. They were initially designed and intended for low-water residential consumption, in areas of low-residential concentration, and on very large lots or acreages, particularly farms. In the Capital Region today there are thousands of homes using individual septic fields, in areas of relatively high density, many on small lots, some as small as a third of an acre. Homeowner water consumption rates often far exceed use the limits that the fields were designed to accommodate. When this overuse is combined with the heavy clay soils in much of the Capital Region, the result is septic field failures. Cases have been reported of raw sewage in people's yards and flowing in ditches.

At the RPAC's public hearings municipal officials and the public stated that Manitoba's private sewage disposal regulations were out-of-date and inadequate. The RPAC was also told that there is a poor system of private well inspection or monitoring. While the RPAC applauds the government's April 2003 amendment of the sewage and septic field regulation, there is a need for further amendment. In particular, the regulations should include provisions for mandatory testing and maintenance of septic and sewage systems. There is also a need for an effective enforcement plan.

Surface Drainage and Waterways

In older parts of Selkirk and Winnipeg storm runoff and sewage water are often combined in the same sewer system during periods of high volume runoff. After major storms this can result in raw sewage flowing into the Red River rather than being directed to the sewage treatment plant. While both cities are replacing these systems, the replacement programs should be accelerated, perhaps with the assistance of senior levels of government.

Land and resource uses that draw from surface waterways should not overtax those resources. A fundamental principle for water management should be that natural in-stream flows of surface waterways should always be maintained at a minimum natural level in order to preserve ecosystems. The RPAC encourages the Government of Manitoba to ensure that adequate mitigation measures be applied when there is risk of surface water pollution from land and resource use.

Overland flooding occurs in some areas of the Capital Region, usually after a major storm, in wet periods, or from spring snow melt. In rural areas, many of the drainage systems were designed to assist agriculture and were not intended to protect large lot rural residential properties from flooding. Since people living in these residential enclaves often ask for better drainage than farmers require, there has been pressure put on governments to rectify drainage problems in built-up residential areas. The RPAC encourages the Government of Manitoba to ensure that drainage improvements are undertaken in way that does not unnecessarily increase downstream flooding and respects natural flora and fauna and useful biological processes.

Marshes and wetlands can store surface water for possible later use, recharge groundwater aquifers, cleanse water by reducing sediments, absorbing nutrients (nitrogen and phosphorous) pesticides, coliforms and other pathogens, providing habitat for wildlife and aquatic species, and reducing flooding and erosion. The practice of using existing wetlands and creating new marshes and natural low areas for assisting in drainage should be encouraged where appropriate.

The RPAC heard from a number of municipalities and the public about the poor condition of provincial drains and the time it takes to obtain a license to work on local drains. This is a serious concern. The RPAC also acknowledges that the Province has marginally increased spending on drainage in the last three years but the problem still remains.

The RPAC encourages the provincial government to continue to increase resources to assist in rectifying the problems of maintaining provincial drains and processing applications for drainage work from agencies and individuals.

Conservation districts offer another way of addressing drainage issues. However, there are only three Conservation Districts in the Capital Region—the Cooks Creek Conservation District, the LaSalle-Redboine Conservation District, and the Seine-Rat Conservation District. The RPAC encourages municipalities in the Capital Region to consider establishing additional Conservation Districts or joining existing ones to assist with water and resource management issues. The proposed study on service sharing should include an investigation of the expansion of conservation districts.

Shorelands

Vegetation zones along waterways and wetlands, referred to as riparian buffers, protect shorelands against erosion, reduce turbidity, enhance the diversity of native biota, and reduce flooding. However, there are a number of instances where development in the Capital Region has occurred too close to the banks of rivers and creek, contributing to riverbank erosion and instability. In some cases, mitigative measures, which are very expensive, can be undertaken to enhance the natural stability and appearance of the bank area.

Public access to the shorelands of major water bodies should be maintained and enhanced where the terrain permits. Originally, the flat landscape of the prairie was broken only by the vegetation corridors following its waterways, which provided natural green corridors for wildlife. The re-establishment of these corridors through a linked system of parks, green spaces, scenic drives, and pathways along the Red and Assiniboine Rivers and other waterways would enhance wildlife, and provide recreational opportunities for residents and visitors. This could increased related business and employment opportunities and provide additional flood and erosion protection. Such a development would serve as an enhancement of the existing Red River Greenway Partnership Initiative. (This initiative is intended to result in a long-term tourism development strategy for the Red River Corridor.)

The Government of Manitoba, the Partnership of Manitoba Capital Region Governments, and other interested agencies should examine the feasibility of developing a linked system of parks, corridors, and green spaces along the waterways of the Capital Region. Organizations dedicated to the clean-up and rehabilitation of urban streambeds should be recognized and helped in their efforts.

From a direct water quality perspective, provincial programs, such as "Covering New Ground," which assists livestock producers with the development of off-stream watering and the repair of specific riparian areas on farms, should be examined for the effectiveness of their incentives in the Capital Region.

FLOODING

Flooding is a common and naturally occurring phenomenon in a large part of the Capital Region. The Red River Valley was once a large array of marshes, sloughs and shallow waterways. Settlers and governments drained the land to improve its productivity for crops. But a number of significant floods over the years, the most recent in 1997, are reminders that this is a major flood plain. All three levels of government have spent enormous amounts of time, money and resources on flood protection measures and flood compensation over the years.

Regional land-use policies adopted by the provincial government should address flood protection through appropriate development restrictions and enforcement in order to minimize human safety risks and property damage.

SUSTAINABLE DEVELOPMENT

The preparation of a Capital Region sustainable development plan can unite the Region's governments and residents, assisting in the development of a sense of regional cooperation and understanding. Such a plan is, however a significant undertaking with important implications, the most important of which may be successful region building as envisaged in Chapter Four and an effective Partnership on the lines described in Chapter Six.

The 1987 United Nations World Commission on Environment and Development first introduced the concept of sustainable development to popular debate. Sustainable development became defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Since 1998 Manitoba has had *The Sustainable Development Act* that is based on the following principles:

- Integration of Environmental and Economic Decisions
- Stewardship
- Shared responsibility and understanding
- Prevention
- Conservation and Enhancement
- Rehabilitation and Reclamation
- Global Responsibility

Issues of sustainability have also been central to a number of other important reviews and initiatives in Manitoba. Two of the most relevant of these to the Capital Region are the 1996 Manitoba Capital Region Strategy and the 1999 Consultation on Sustainable Development Implementation (COSDI) report. The Capital Region Strategy provides a foundation for implementing sustainable development in the Region. The COSDI report gives guidance on the steps that need to be taken in creating a sustainable development plan and the steps required to ensure that the impacts of new developments are adequately assessed from a perspective of sustainability.

Background

Numerous arguments have been advanced for developing a sustainable development strategy for the Capital Region. These range from growing concerns about the international environment to the possibility that there are economic benefits to be reaped by those regions that can most quickly adapt and develop a more environmentally friendly development policy. There are, for example, cost savings to be generated in the development of strategies that use less heat and conserve more water. Building code changes that recognize these benefits can save consumers money immediately and reduce the needs for long-term investment in additional water and energy distribution systems.

A variety of jurisdictions around the world have implemented sustainable development guidelines, such as sustainable zoning and green building guidelines, that provide these communities with a competitive advantage. One of Manitoba's strengths is the province's supply of clean water and renewable energy. Sustainable development approaches can allow Manitobans to both preserve and benefit from these natural advantages now and in the future.

There is a vast literature on sustainable development—its meaning and its translation into the practicalities of providing a reasonable existence for people in ways that are brought and remain within the capability of the world's resources to supply their needs.

Our Common Future, the World Commission on Environment and Development, 1987 (otherwise known as the Brundtland Commission Report), sharply increased public awareness of humankind's penchant for utilizing the world's renewable resources at a pace beyond their ability to recover. Recent projections of the drawdown in oil reserves illustrate that the pool of non-renewable resources is also rapidly diminishing. Conservation, recycling, re-use and technical developments are important remedies. Alarmed by burgeoning population, diminishing bio-diversity, reduced agricultural lands, disappearing forests, and declining air and water purity, pessimists believe we may have substituted hope for substance, thereby failing to ensure the future for our children. In conservation, there are massive "corrections" to be undertaken—as, for example, in improving water quality throughout Manitoba. In all these fields upon which human health and well-being depend, it is asserted that research is not proceeding in proportion to need. Under heavy pressure for job creation, growth, and competitive edge, governments blow hot and cold about sustainability, seeming to find it difficult to generate support for a precautionary approach to proposals about which the preservation of the environment and consequences to health are uncertain.

The RPAC takes a more hopeful view of what might happen in Manitoba and the Capital Region, if only because notions of sustainability are becoming an increasingly important part of public thinking. They have been included in some of the policies and rules that govern Manitobans' behaviour towards the environment and those sectors of the economy that the government chooses to influence. Throughout the late 1980s, during which conservation strategies were being proposed by several provinces, and in the next decade, Manitoba was spurred by national concerns and international concerns. The Canadian Council of Resource and Environment Ministers (the predecessor of the Canadian Council of Ministers of the Environment and chaired at the time by Manitoba's Minister of Environment) and its task force (see the National Task Force on Environment and Economy Report 1987) made 40 recommendations that encouraged industry and governments to develop and implement policies and actions aimed at integrating environmental and economic considerations into decision making. The Task Force also called for the creation of provincial round tables to help guide Canada's transition to sustainability. Canada created the National Round Table on the Environment and the Economy (NRTEE), which remains very active in 2003. Manitoba created the Manitoba Round Table on the Environment and Economy (MRTEE). The Government of Manitoba issued its Sustainable Development Strategy after four years work by MRTEE (see *Sustainable Development Strategy for Manitoba*). Consultation during the report's preparation was deep, as was the involvement of the public in the compilation of component strategies that complemented the overall provincial strategy. One such component was the Capital Region Strategy.

The Capital Region Strategy

The 1996 Manitoba Capital Region Strategy Report, *Partners for the Future*, which was prepared under the supervision of MRTEE and endorsed by the Capital Region Committee and the Government of Manitoba, identified the following goals and priority areas.

Seven goals:

- **To modify planning and management** mechanisms to ensure resources are developed and used in an environmentally sound and economically sustainable manner.
- **To protect natural habitats** and landscapes in the Capital Region, and protect critical natural resources.
- **To promote sustainable development** and diversification of the Capital Region.
- **To ensure the policies** for the Capital Region, Rural and Northern Manitoba are mutually supportive and result in improved and balanced provincial development so all Manitoba benefits.

- **To promote diverse programs** and initiatives that protect and improve the infrastructure of both the natural and built environment of the Capital Region.
- **To promote measures** to achieve the full human potential of the diverse population of the Capital Region in a sustainable manner.
- **To ensure the integration** of sustainable development principles and guidelines in local and provincial decision-making. (*Applying Manitoba's Capital Region Policies, p. 7*)

Ten policy areas of priority:

1. **Working Partnerships and Regional Citizenship**: Partnerships will be used to improve governance, the environment, economy, and well-being of citizens. People will have meaningful opportunities to participate in decisions affecting them. A sense of regional identity and pride will be developed.
2. **Quality Environment/Sustainable Resources**: The Region's environment and resources will be managed in order to enhance the economy and ensure the well-being of people.
3. **Directed Growth**: Growth will be directed to land able to sustain it. The costs of the growth will be fully paid for by the beneficiaries of the growth.
4. **Sound Physical Infrastructure**: Infrastructure will be environmentally sound and will support regional and local sustainable economic development.
5. **Profitable Niche**: The economic strengths of the province and Region will be marshalled and developed in order to provide long-term socio-economic security for people.
6. **Capable, Flexible and Motivated Workforce**: Youth and workers will be prepared for employment and business opportunities that are available now and in the future, and encouraged to strive for excellence.
7. **Knowledge and Technology**: Knowledge will be acquired, information disseminated, and technology advanced in support of provincial, regional, and municipal sustainable economic development and environmental management.
8. **Fiscal Soundness**: A fiscal environment conducive to attracting sustainable economic development and enhancing the quality of life will be provided.
9. **Social Equity**: People will have equal access to opportunities to participate in the community and work force. Self-reliance, increased independence and respect for others shall be fostered.
10. **Quality of Life**: The quality of life in the Capital Region will be maintained and enhanced. (*Applying Manitoba's Capital Region Policies, p. 8)*

The objectives, polices and actions listed in the Capital Region Strategy are sound. It is best used as a reference document, a check on the process of implementation of sustainable development policies.

There are three reasons why the RPAC is optimistic about the feasibility of a sustainable development plan for the Capital Region. First, many of its residents contributed to the work of the Round Table. The Partnership and the Province can, once again, draw on this experience. Residents know the Region's resources, its environmental problems, and how people and institutions interact in this part of Manitoba. Secondly, all the component strategies have some bearing on planning in the Capital Region. Thirdly, the Capital Region Strategy is a very direct guide to the debate on which policies can benefit the Region's future.

The Capital Region Strategy is formatted on objectives, policies, and necessary actions in "policy areas." The policy areas—Partnerships, Settlement, Economy, Environment and Resources, and Human Resources—overlap with discussion in earlier reports on the Region, with Provincial Land Use Policies, and with the chapters of this report. Because it indicates "how to" and identifies the institutions and agencies that should implement the various policies, it provides a valuable checklist for plan preparation. The *Strategy* should be updated, reviewed, and used.

A quote from Paul Selman captures the value of partnership, co-operation, and mutual support that the RPAC believes to be essential:

> ...sustainable development strategies are as much a journey as a specific destination and, in their implementation, process may be as important as product. (Selman, p. 289)

The Consultation on Sustainable Development Implementation (COSDI)

The 1999 report on the Consultation on Sustainable Development Implementation was the result of a provincially initiated multi-stakeholder consultation "to consider and make recommendations to government on how Manitoba can best implement Sustainable Development Principles and Guidelines into decision-making, including environmental management, licensing, land use planning and regulatory processes." (Consultation on Sustainable Development Implementation, p. 5) Among the key COSDI recommendations were proposals to:

- Develop, adopt and implement province-wide sustainable development policies.
- Review the existing Sustainable Development Strategies to ensure they provide an integrated, comprehensive, understandable and current framework for implementing sustainable development.
- Require integrated sustainable development planning on a large area basis, such as watersheds.
- Implement the policies of large area plans, for those parts of Manitoba organized into municipalities, through mandatory development, provincial and public review and provincial approval of municipal or district sustainable development plans and their amendments.
- Allocate resources subject to the large area sustainable development plans, and/or through the effects assessment and review of significant resource allocations and developments — following the principle that good work which is up to date need not be done again.
- Require all municipalities to review and adopt development plans that reflect the components of sustainable development, and provide support to municipalities to implement such development plans.
- Include in the concept of effects assessment all sustainability factors such as environmental, economic, social, cultural and human health effects.
- Include a component in the effects assessment process that will examine the extent of planning and pre-licensing activities. Where planning and pre-licensing activities

> clearly fulfill the effects assessment process and information requirements, there will be opportunity to credit those activities towards the assessment process. (Consultation on Sustainable Development Implementation, p. 7)

The report advanced two major propositions. First, as outlined above, Manitoba requires integrated, sustainable development planning on a large area basis—COSDI specifically mentioned the Capital Region as one possible large area. The second proposition was that Manitoba should broaden the concept of project assessment from environmental impact assessment, as set out in *The Environment Act*, to effects assessment. Effects assessment includes the assessment and reviewed of all of the sustainability factors of a development. An effects assessment would include the assessment and review of a combination of any the following elements:

a. purpose of the project;

b. description of the project;

c. assessment methodology and results of public consultation;

d. an analysis of the alternatives to the project and alternative means for the project, in each case including the "do nothing" alternative;

e. need (examined in connection to alternatives);

f. description of the existing environment and potential zones of impact;

g. description of the environmental effects;

h. description of the social effects, including human health, cultural and heritage values;

i. description of the economic effects;

j. description of the mitigation measures;

k. description of cumulative and interdependent effects;

l. residual effects and their significance;

m. follow-up plans;

n. decommissioning; and

o. project sustainability [note: a) analysis of the balance between the environmental/ecological, social, economic, cultural and human health benefits and impacts of the project, b) the indicators and methodology for performing such an analysis will need to be developed over time. (Consultation on Sustainable Development Implementation, p. 25)

There is much in the COSDI report that is relevant to the way in which Manitoba strengthens the Capital Region. The recommendations on integrated large area planning and on effects assessment are central to any sustainable development strategy. There is already one large area planning exercise, as defined by the COSDI principles, underway in Manitoba, namely the East Side Plan, encompassing the geographic area east of Lake Winnipeg. The Government of Manitoba has also begun a revision of *The Environment Act*.

The COSDI proposals for effects assessment are a step beyond existing *Environment Act* requirements. The COSDI Core Group, which put the report together following consultation with a 60-member Advisory Committee, wanted a means to improve project specific decision-making. They sought improvements that coordinated input from all parties with an interest or stake in a project, and which covered a fuller range of potential environmental, economic, social, cultural, and human health inputs. This is not to say that *The*

Environment Act has served Manitoba poorly. Indeed, analysis of proposals and conditions of licenses often deal with more than the potential consequences to the physical environment. However, principles and guidelines of sustainable development, with their broad perspective, have entered the legal language (*The Sustainable Development Act*). COSDI tried to list what should be examined—i.e., what the proponent should present in an assessment document, what government should look for, and how the public should be engaged in discussing a proposal. The goal was to ensure that the license would be comprehensive and the proponent would address issues of sustainability. The process should reveal gaps and adjustments necessary to support the project over the long-term, or perhaps, to demonstrate potential unsustainability in concept, design, or operation.

This discussion is ongoing. As noted, *The Environment Act* is being reviewed. From the RPAC's perspective, assessment should begin at once of all new, specific major developments in the Capital Region. The thought is that each exercise will stimulate consideration of the "fit" of the project into the land-use plans in the Region and into the way its systems can accommodate or prove alien to the new development. Because effects assessment can be a tool for looking across internal boundaries—municipal, district, physiographic, etc.—it points the way to co-operation and aids the shaping of the sustainable development plan.

In summary

The RPAC recommends that the Government of Manitoba prepare a provincial policy statement dealing with sustainable development in the Capital Region. Such a statement should be based upon the COSDI approach and would become a frame of reference for the work of district planning boards, municipalities, and conservation districts, while helping to ensure that provincial strategies, such as those applicable to soil and water, take the particular needs of the Region into account.

The RPAC sees an effective Partnership of Manitoba Capital Region Governments as being crucial for the effective development and implementation of such a statement. For this reason, time must be allowed for the Partnership to develop working relationships, experience, knowledge, and data. The creation of a sustainable development plan for the Capital Region should come at the initiative of the Partnership.

There is no reason to delay the use of effects assessment on all new, specific major developments in the Capital Region. Eventually, all new developments will be considered for licensing only if they are consistent with the sustainable development plan.

Much water has passed under the bridge since ideas on sustainable development were first expressed in the province. Time and resources were committed to developing strategies for many resource management sectors under provincial governance. The time is ripe for the Government of Manitoba to provide a coherent update on their status. The RPAC recommends that the Government of Manitoba should publish a status report on the progress of the implementation of the recommendations of the Consultation on Sustainable Development Implementation, describing how the principles in this document have been integrated into policy, regulations, and financial and administrative decision-making.

Chapter Fourteen

Strengthening land-use policy in Manitoba

The Regional Planning Advisory Committee is making a series of recommendations to the Government of Manitoba intended to improve the effectiveness, efficiency, consistency, and clarity of the land-use planning process in Manitoba. These amendments are intended to address the issues raised in the previous three chapters.

The changes proposed in this chapter can be categorized as:

- improved policy tools
- improvements to the land-use planning process
- improvements to Provincial Land Use Policies
- improvements to other legislation or policies

POLICY TOOLS

The RPAC is recommending the adoption of two new policy tools to bring greater clarity, efficiency, and flexibility to the land-use planning process. The first is a statement of principles that would guide the provincial process of land-use planning for the Capital Region. Secondly, the RPAC is recommending the use of regular ministerial policy statements on land-use planning.

Statement of principles

Land-use planning must be principle-based. If the provincial government were to publicly outline the principles upon which its land-use policies and practices are based, the likelihood of a consistent and committed provincial approach would be increased. Secondly, the existence of a publicly stated set of principles increases transparency and accountability. The following eleven principles are derived from the RPAC discussion paper which provided the focal point for our public hearings.

Proposed principles

The role of the provincial government should be:

1. to provide policy leadership, resources, and support to enable the region to realize opportunities for sustainable economic growth and healthy communities
2. to ensure better integration and coordination of municipal land use planning decisions with related activities of other agen-

cies responsible for water management, transportation, environmental protection, public health, education and safety, etc.

3. to ensure an overall land use planning and growth management process which promotes sustainable development to ensure that resources and the environment are protected for future generations
4. to ensure the most economical, effective, and safe use of local and provincial infrastructure and services
5. to promote voluntary intermunicipal cooperation and collaboration through devices like regional forums, service sharing, tax sharing, etc.
6. to deal with 'spillover' effects where municipal land use decisions have impacts that affect neighbouring municipalities, the region, or the province as a whole
7. to help resolve intermunicipal disputes where these pose a barrier to development or an effective policy response to problems arising from growth and change
8. to ensure consistency, predictability, and fairness in municipal decision-making over time and across jurisdictions
9. to ensure respect for the rights of minorities to involvement, consultation in decision making and to the protection of Treaty obligations where applicable
10. to strengthen local democracy by providing organizational capacity and information resources to support municipal decision-making
11. to promote and support open, participatory, fair, responsive, consistent, and accountable decision-making within the regional planning process

These principles are general and applicable to the province as a whole. There will be a requirement in practice to balance the various values that they represent. The principles presume that local municipalities will continue to have primary authority for land-use planning within their jurisdiction. General principles allow the necessary flexibility to accommodate the diverse requirements of larger and smaller municipalities and the different development challenges facing particular municipalities. The principles impose certain obligations on the provincial government that will promote a more consistent and committed approach to regional concerns. The principles also recognize the interdependence among governments within the region and the need to encourage collaborative action to a greater extent than has happened in the past. Finally, the principles call for expanded public input into local and regional policies and plans, along with greater accountability for outcomes.

The RPAC recommends that:

14.1 The Government of Manitoba adopt and publicize the following principles for regional planning:
  .1 to provide policy leadership, resources, and support to enable the region to realize opportunities for sustainable economic growth and healthy communities
  .2 to ensure better integration and coordination of municipal land use planning decisions with related activities of other agencies responsible for water management, transportation, environmental protection, public health, education and safety, etc.
  .3 to ensure an overall land use planning and growth management process which promotes sustainable development to ensure that re-

sources and the environment are protected for future generations;

.4 to ensure the most economical, effective, and safe use of local and provincial infrastructure and services

.5 to promote voluntary intermunicipal cooperation and collaboration through devices like regional forums, service sharing, tax sharing, etc.

.6 to deal with 'spillover' effects where municipal land use decisions have impacts that affect neighbouring municipalities, the region, or the province as a whole

.7 to help resolve intermunicipal disputes where these pose a barrier to development or an effective policy response to problems arising from growth and change

.8 to ensure consistency, predictability, and fairness in municipal decision-making over time and across jurisdictions

.9 to ensure respect for the rights of minorities to involvement, consultation in decision making and to the protection of Treaty obligations where applicable

.10 to strengthen local democracy by providing organizational capacity and information resources to support municipal decision-making

.11 to promote and support open, participatory, fair, responsive, consistent, and accountable decision-making within the regional planning process

Policy statements

The issuing of regular provincial government policy statements represents another important tool that can be used to improve the clarity, transparency, and accountability of the land-use planning process in Manitoba. Such policy statements have been used in at least two other provinces to articulate and to clarify provincial thinking on planning matters. Provincial policy statements could be limited in their application to the territory designated as the Manitoba Capital Region in order to reflect the distinctive context and unique set of land-use planning issues found in that region.

The case of Nova Scotia will be used to illustrate what is involved with provincial policy statements. Since 1999 *The Planning Act of Nova Scotia* has contained provision for the provincial cabinet to adopt formal statements of provincial interest, which become public documents. The minister responsible for *The Planning Act*, acting alone or in combination with other ministers, makes recommendations to cabinet for provincial policy statements. Statements identify the provincial interests involved in the development of land, the use of water resources, the development of communities, and issues that cross municipal boundaries. In preparing a statement of provincial interest, the minister must consult with the municipal councils affected by the statement. Upon adoption of the statement, copies must be sent to the clerk of each municipality affected and notice of its adoption must appear in a newspaper circulating in the affected area. Newly adopted or amended planning documents (such as development plans and subdivision proposals) must be "reasonably consistent" with these statements. In addition, the minister may request that a municipal council amend, within a prescribed time, its existing planning documents so that they are reasonably consistent with provincial planning statements. To date, five statements, dealing with the issues of drinking water supply, flood risk areas, agricultural land, housing and infrastructure, have been adopted. The statements can be applied to all municipalities, to groups of municipalities, or to a consolidated territory like the Halifax-Dartmouth area.

Nova Scotia's statements of provincial interest serve a function comparable to Manitoba's Provincial Land Use Policies (PLUPs). It is possible, however, that the concept of provincial policy statements could be used in conjunction with PLUPs to set parameters for, provide greater detail, and give direction to local planning activities within the Manitoba Capital Region. Like the Manitoba PLUPs, Nova Scotia's statements of provincial interest are general and flexible in nature, but the law allows for the selective application to particular municipalities. Although not legally binding, the statements set the policy context for municipal decision-making on local plans.

In Nova Scotia statements can be modified or withdrawn by the provincial cabinet on the recommendation of the responsible minister. This arrangement is more flexible than amending *The Planning Act* or regulations passed pursuant to the *Act*. Provision for policy statements in Manitoba would allow the cabinet to update and refine the provincial approach to land-use planning in the light of changing circumstances, including possible changes in philosophy when a new government takes office. It would also concentrate responsibility and accountability where it belongs in our system of government, namely in the hands of cabinet ministers who are answerable in the first instance to the Legislature and ultimately to the electorate.

On a daily basis a number of provincial departments—such as Intergovernmental Affairs, Conservation, Agriculture and Food, and Transportation—are involved with planning and development matters. Each department has its own mandate, agenda, and perspective. The preparation and publication of cabinet-approved policy statements would encourage greater coherence in the provincial strategy towards land-use issues and would be more visible than the informal, internal processes of collaboration that now take place.

Clear policy statements could provide guidance to municipal councils, planning district boards, planners, developers, citizens, provincial departments, and the Manitoba Municipal Board on the government's preferred direction for future planning within a region. The procedure for the issuance of policy statements could include a requirement (similar to Nova Scotia's) that the minister consult the affected municipalities before a statement comes into effect. The requirement to publish proposed policy statements in newspapers of general circulation within the affected municipalities would also be helpful. A deadline of 90 days to receive responses to draft policy statements might be set.

An earlier—rather than a later—declaration of the provincial perspective on regional planning issues is much better than allowing local governments, developers and citizens to spend time and money formulating and debating development plans and subdivision proposals without any clear indication of their potential acceptability to the provincial government. Some indication of the provincial viewpoint can be obtained on an informal basis through consultation with municipal and provincial officials, but it would be preferable for statements of provincial policy to be made in a more formal, official, transparent and accountable manner. The approach proposed here combines both the opportunity for citizen and local government input while preserving the responsibility of the provincial government to assume leadership and to answer for its actions.

Not only could provincial policy statements be adopted to refine the application of the PLUPs to a spatial territory like the Manitoba Capital Region, they could also be used to address issues like ensuring clean water supply, energy conservation, the protection of agricultural land, the preservation of sensitive environmental areas, the encouragement of preferred patterns of residential development, and so on.

The RPAC recommends that:

14.2 The Government of Manitoba initiate a practice of issuing regular provincial government policy statements on land-use planning and development.

Policy statements represent the best option for the refinement of the PLUPs to fit with the distinctive challenges of land-use planning and growth management within the Manitoba Capital Region.

The RPAC was established to provide advice and recommendations for a policy plan for the Manitoba Capital Region. The policy plan was meant to complement, not to replace, the traditional locally oriented land-use planning process that the Capital Region municipalities conduct under *The Planning Act* and *The City of Winnipeg Charter*. If the Government of Manitoba adopted the RPAC recommendation to issue provincial policy statements on land-use planning, its first policy statement should be a comprehensive future-oriented land-use policy plan for the Capital Region.

Such a provincial policy statement for the Region could help to unify and to integrate the planning activities of the sixteen jurisdictions. It could state that all municipalities, planning districts, conservation districts, provincial departments, and the Municipal Board shall in all planning matters have regard to policy statements issued by the provincial government. Policy statements on their own would not determine the outcomes of the planning processes, but they would provide another set of considerations—and an important set of considerations since the provincial government has important legal and financial authority in relation to municipal matters—that all planning bodies would have to take into account in their decision-making.

The RPAC recommends that:

14.3 As its first policy statement on land-use planning and development, the Government of Manitoba issue a future-oriented land-use policy plan for the Manitoba Capital Region.

If implemented these changes would bring further clarity to the land-use planning process in Manitoba. Charts 14.1 and 14.2 on the following page contrast the existing planning framework with the framework being proposed by the RPAC. It should be noted that these changes do not introduce any new approval levels to the planning process.

CHART 14.1

THE CURRENT PLANNING FRAMEWORK

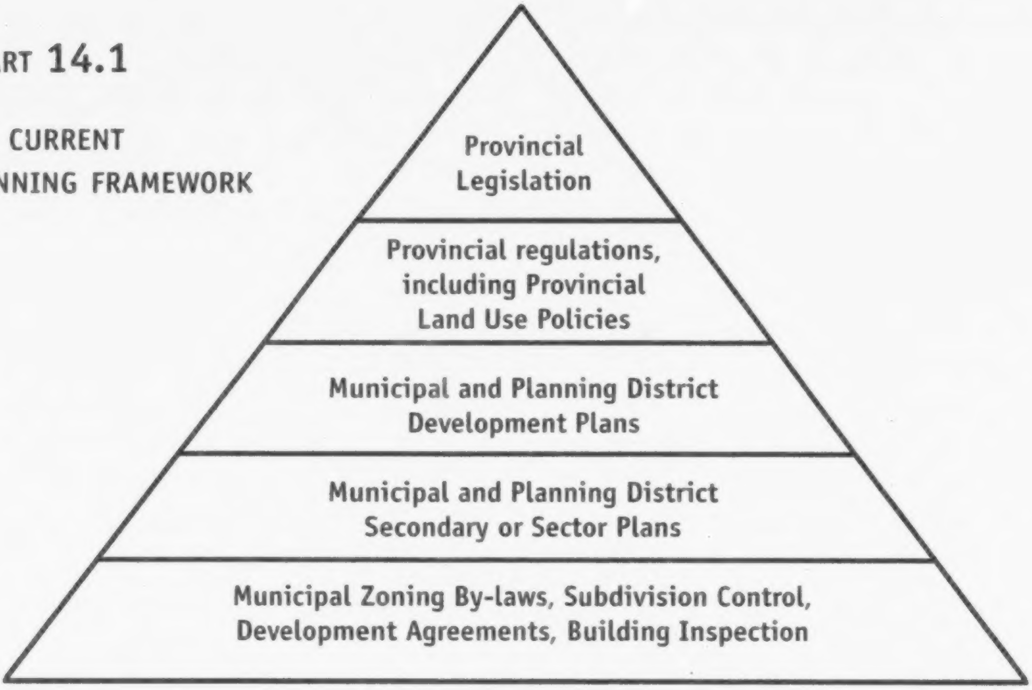
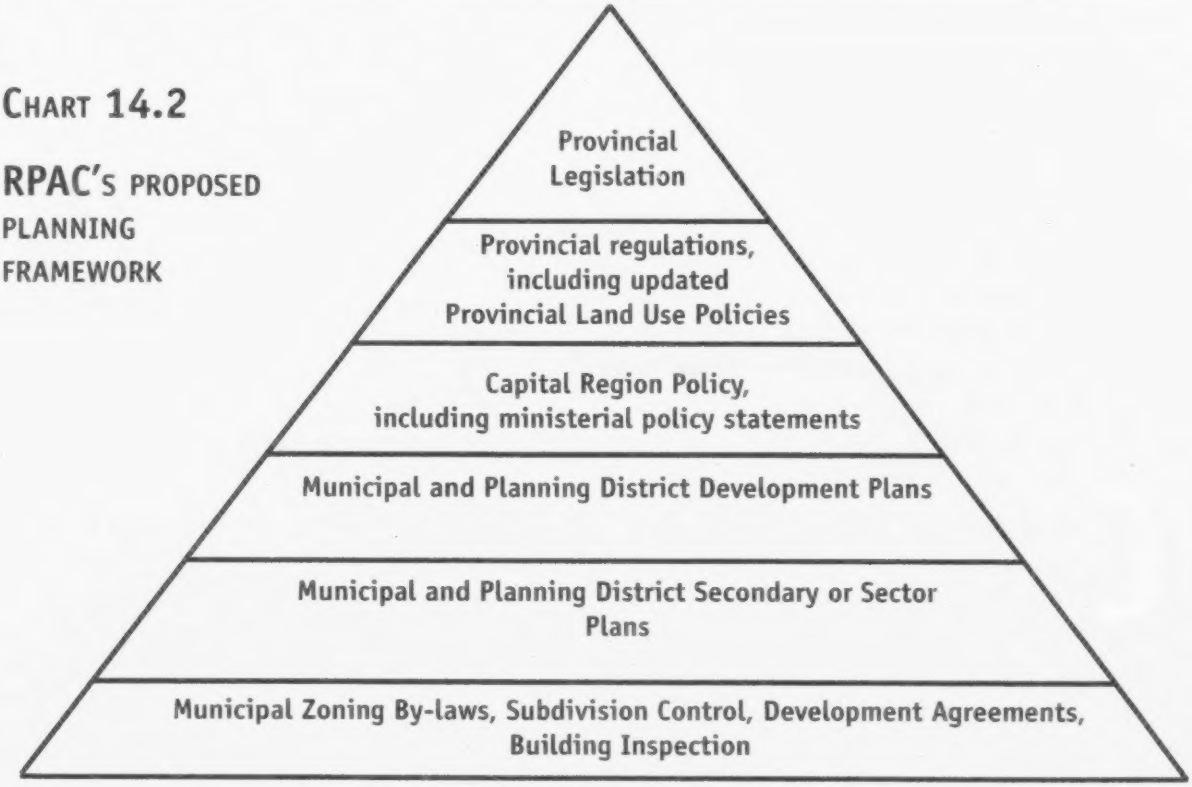

Provincial Legislation
Provincial regulations, including Provincial Land Use Policies
Municipal and Planning District Development Plans
Municipal and Planning District Secondary or Sector Plans
Municipal Zoning By-laws, Subdivision Control, Development Agreements, Building Inspection

CHART 14.2

RPAC'S PROPOSED PLANNING FRAMEWORK


Provincial Legislation
Provincial regulations, including updated Provincial Land Use Policies
Capital Region Policy, including ministerial policy statements
Municipal and Planning District Development Plans
Municipal and Planning District Secondary or Sector Plans
Municipal Zoning By-laws, Subdivision Control, Development Agreements, Building Inspection

IMPROVEMENTS TO THE LAND-USE PLANNING PROCESS

In Chapter Eleven the RPAC identified a number of inconsistencies, delays, and deficiencies in the degree of regional cooperation in the current Manitoba land-use planning process. There are a number of steps that could be taken to increase consistency, efficiency, and regional cooperation

Consistency and efficiency

The disparity in size between the City of Winnipeg and the other Capital Region communities may make the substance of the planning process different but greater procedural consistency is both desirable and possible. To improve consistency, the Government of Manitoba should:

- formally require that Plan Winnipeg conform to the Provincial Land Use Policies in the same way that Development Plans for all other Manitoba municipalities must conform to the PLUPs. (This is already done informally.)
- eliminate the current *Planning Act* requirement for the Minister of Intergovernmental Affairs to consult with the provincial cabinet on proposed development plans and amendments to existing plans. Such an amendment would bring the process into conformity with that used in dealing with the City of Winnipeg, and would also make the approval process more efficient.
- require public hearings for all subdivisions that require the creation of a new public road.

The RPAC recommends that:

14.4 The Manitoba Government make the Manitoba Provincial Land Use Policies applicable to Plan Winnipeg.

14.5 The Government of Manitoba eliminate the current *Planning Act* requirement for the Minister of Intergovernmental Affairs to consult with the provincial cabinet on proposed development plans and amendments to existing plans.

14.6 The Government of Manitoba amend *The Planning Act* to require the appropriate approving authority to hold public hearings prior to the approval of subdivisions that involve the creation of a new public road.

Concerns were also expressed to the RPAC about the fact that there were no specific deadlines that the Government of Manitoba had to meet in processing municipal land-use development proposals. While the RPAC hesitates to set specific deadlines, it believes the process must be improved.

The RPAC recommends that:

14.7 The Government of Manitoba publish guidelines for the time required to complete the Province's review and approval of different types of municipal land-use development proposals.. In the event that a time extension is required, the Minister of Intergovernmental Affairs should notify the affected municipality and communicate a new deadline for the completion of the process.

Regional cooperation

Another improvement might be for the transfer of provincial subdivision approving authority to all planning districts. As mentioned previously, two planning districts in the Capital Region as well as the City of Winnipeg currently have this authority. The other eight municipalities in the Region require provincial approval on all subdivision applications. However, the RPAC believes such transfer of subdivision approving authority should occur only with planning districts not individual municipalities. This might also help to encourage the creation of planning districts. It should be noted that under *The Planning Act* a subdivision cannot be approved if it does not conform with the approved municipal/district development plan.

Coordination

Planning districts are an excellent way of undertaking planning on a sub-regional level. There are currently three planning districts in the Capital Region involving nine municipalities. The RPAC encourages the remaining municipalities (excluding the City of Winnipeg) to join existing or new planning districts.

The RPAC recommends that:

14.8 Those Manitoba Capital Region municipalities that to do not currently belong to a planning district give active and serious consideration to joining existing or new planning districts.

The RPAC heard a number of concerns about the circulation of information relating to development proposals and the responses to those proposals. In accordance with current legislation, major development proposals, such as development plan amendments, are circulated to neighbouring municipalities. This process would be improved if each municipality appointed a specific person to whom development proposals would be sent. It would be this contact person's responsibility to acknowledge receipt of the documents and bring them to the attention of the mayor/reeve and council.

The RPAC recommends that:

14.9 To improve the operation of the current requirement that major development proposals, such as development plan amendments, be circulated to neighbouring municipalities, each of the sixteen Manitoba Capital Region municipalities name a specific person as an intermunicipal contact. It will be the responsibility of the contact person to bring notification of major development proposals that have been received from other municipalities to the attention of the mayor/reeve and council.

PROVINCIAL LAND USE POLICIES

The Provincial Land Use Policies (PLUPs) were originally adopted by the Government of Manitoba in 1980 as a regulation under *The Planning Act*. Since then they have been used as a guideline for the Province and municipalities in the adoption and review of development plans. The PLUPs were revised in 1994 and, along with *The Planning Act*, are currently under review by the provincial government. The PLUPs are legally binding and they apply throughout the province (with the exception of the City of Winnipeg). In combination these two features make it necessary for the PLUPs to be very general and flexible in order to allow for application to very diverse circumstances.

In light of issues raised about the level of detail in the PLUPs in Chapter Eleven, development patterns in Chapter Twelve, issues of sustainability and environmental protection in Chapter Thirteen, and the need to have the PLUPs formally apply to the City of Winnipeg, the RPAC recommends that the Province incorporate the following goals in its review of PLUPs and *The Planning Act*. The substance of the RPAC's proposals for this review are contained in recommendations 14.10 through 14.47.

General guidelines for all development

The RPAC recommends that:

14.10 Manitoba planning policy ensure that all developments be planned to occur in an orderly and efficient manner and take into account the short- and long-range costs of providing public services and infrastructure. To this end, development should normally be contiguous to existing infrastructure. New development should go in areas where infrastructure is most easily extended with appropriate regard to the preservation of prime agricultural land.

14.11 Manitoba planning policy ensure that availability of development sites should bear a reasonable relationship to the market demand. On a municipal and regional basis the number of vacant lots ready for development should reflect forecasts of demand.

14.12 Manitoba planning policy ensure that land be designated for specific major types of uses in development plans. These land-use designations should bear a reasonable relationship to demand within the context of a medium- to long-range planning horizon. Regionally significant developments should be specifically designated in a development plan.

14.13 Manitoba planning policy ensure that developers of commercial and residential sites normally be required to pay for the direct costs associated with the development. The public should not have to cover any service or infrastructure costs directly associated with such development. Exceptions to developers covering all costs might be in cases where in-fill or upgrading in older neighbourhoods is thought appropriate.

14.14 Manitoba planning policy ensure that municipal, planning district, and provincial government planning authorities emphasize pedestrian and bicycle access in their planning. In order to assist in environmentally-sound planning and the promotion of healthier populations, bicycle and pedestrian paths should be identified in all Manitoba Capital Region major developments.

14.15 Manitoba planning policy ensure that municipal, planning district, and provincial government authorities encourage, where practicable, the retention and rehabilitation of heritage and older building stock. New incentive programs, tax incentives, mixed-use zoning, the removal of disincentives, and other measures should be taken to encourage the rehabilitation and reuse of older neighbourhoods and buildings.

14.16 Manitoba planning policy ensure that when a large area is designated for residential, commercial, or industrial use, the adoption of more detailed secondary or sector plans be undertaken. Such secondary level planning would allow for more detailed specification of community features that also reflect the overall development plan for the municipality.

14.17 In its review of the Provincial Land Use Policies, the Government of Manitoba identify those areas where mandatory wording (such as “shall be consistent”) ought to be used rather than more permissive wording (such as “should consider”) in the preparation and review of development plans.

The urban-rural mix in Manitoba

Continued economic growth is important for the long-term future of Manitoba's Capital Region. That growth must, however, be as efficient and sustainable as possible. In the Capital Region this means that planning policy should strive to direct new residential, commercial, industrial, institutional, and recreational growth to existing settlement centres and urban centers. This does not simply mean directing such development to the City of Winnipeg—there are a number of existing settlement centres, towns, and cities in the Capital Region to which high to medium density residential development, commercial, industrial, and intensive recreational development ought to be directed. Outside those centres, however rural municipalities should be developed in way that allows them to maintain rural, agricultural environments. Finally, there should be no change in the current number of urban settlements in the Capital Region.

The RPAC recommends that:

14.18 Due to the enormous public investment in the infrastructure of existing settlement/urban centres, Manitoba planning policy preclude the formation or evolution of new settlement/urban centres in the Manitoba Capital Region.

Rural development

The RPAC recommends that:

14.19 Manitoba planning policy generally limit the types of uses appropriate to rural areas to the following:

- resource-related uses—in the Manitoba Capital Region this would primarily be farming and some aggregate extraction
- natural and open areas and parks
- large lot or rural residential uses when appropriately planned and when in accordance with the other related policy directions
- commercial and industrial developments that:
  - are intended primarily to serve the travelling public
  - are intended primarily to serve the farm community
  - may cause significant nuisances or hazards in urban settings
- appropriately planned cottage areas
- appropriately planned recreational uses requiring large spaces
- public infrastructure, works, utilities and transportation corridors and facilities

Large lot development

The RPAC recommends that:

14.20 Manitoba planning policy ensure that large lot or rural residential development be intended to cater to a rural lifestyle and as such, lots within them should not be so small as to lose their rural characteristics or to compete with urban-sized lots in settlement centers and urban centres such as Oak Bluff, Lorette, St. Adolphe, Oakbank, Selkirk, or Winnipeg. They should also, by their quantity, proximity to each other, or size, not lead to the evolution of new settlement/urban centres in the Manitoba Capital Region.

14.21 To avoid the evolution of new settlement/urban centres, Manitoba planning policy should ensure that high- or medium-density residential development, commercial/retail services, institutional services, or major indoor recreational facilities are not generally located in, or a part of, large lot or rural residential developments.

14.22 Manitoba planning policy should ensure that large lot or rural residential development complement nearby settlement/ urban centres. Such development should generally not occur within the fringe of a settlement center or urban centre so that a settlement/urban centre's orderly growth is not impeded.

14.23 Manitoba planning policy should ensure that residential lots outside of settlement/urban centres are large enough to maintain the area's rural character. Such lots should not be of such a size as to compete directly with urban-sized lots.

Water

The RPAC recommends that:

14.24 Manitoba planning policy ensure that land, building, and resource uses that can lead to the pollution of groundwater not be permitted, unless the risks are first calculated and mitigation measures are planned and implemented.

14.25 Manitoba planning policy ensure that land and resource uses do not lead to the depletion of the groundwater resource.

14.26 Manitoba planning policy encourage the establishment, enhancement and maintenance of riparian buffers. In particular, the planting and maintenance of native species in these zones should be encouraged.

14.27 Riparian management throughout the Capital Region should be improved both to complement other measures that protect water quality and to enhance the stability, biodiversity, and aesthetic appeal of the Capital Region waterways.

Flooding

The RPAC recommends that:

14.28 Manitoba planning policy ensure that land subject to serious flooding and which is not flood protected by publicly-owned flood protection works be left in its natural state or developed only for low-intensity uses such as crop production, grazing, forestry, wildlife habitat or used for open space recreational purposes. Some lands subject to less serious flooding may be developed if mitigating flood protection measures are provided.

14.29 Manitoba planning policy ensure that all structures in floodprone areas be designed and constructed to be functional under flood conditions.

14.30 Manitoba planning policy ensure that rural housing developments be directed to areas that do not have significant drainage issues in order to save public costs in building, upgrading, and maintaining drainage systems.

14.31 Manitoba planning policy should discourage development or activities that would accelerate shoreland erosion or contribute to bank instability along creeks, rivers, and lakes.

14.32 Manitoba planning policy ensure that drainage improvements are undertaken in way that does not unnecessarily increase downstream flooding and respects natural flora and fauna and useful biological processes.

Agriculture

The RPAC recommends that:

14.33 The Government of Manitoba commission a study to examine the measures needed to reduce the rate of conversion of agricultural land to non-agricultural purposes. Upon the completion of this study, the Government of Manitoba should issue a provincial policy statement on agricultural land in the Manitoba Capital Region.

14.34 Manitoba planning policy ensure that agriculture remain an important part of the Manitoba Capital Region. It should be encouraged and, where reasonable, be protected from encroachment by incompatible uses. Areas already primarily dominated by agricultural uses should generally be preserved for that use in the future.

14.35 Manitoba planning policy ensure that when it is considered appropriate to develop on prime agricultural land, such uses should not be wasteful of land.

14.36 Manitoba planning policy ensure that new subdivisions and the buildings within them be so arranged that residual land is capable of use for agricultural purposes if some future situation warrants.

Urban Development

The RPAC recommends that:

14.37 Manitoba planning policy ensure that the following 'urban-like' uses be directed to settlement/urban centres:

- small lot (urban-sized) medium to high density residential development
- schools, hospitals and other institutional developments
- indoor recreational facilities
- office buildings
- commercial and industrial developments, except for those that:
  - are intended primarily to serve the travelling public
  - are intended primarily to serve the farm community
  - and/or may cause significant nuisances or hazards in urban settings

14.38 Manitoba planning policy ensure that development in urban centres should take place in the following order:

- rehabilitation and revitalization of existing building stock and existing built-up areas
- in-fill of existing vacant lands within existing developments
- new developments within the existing piped serviced areas
- new developments in the areas most efficiently serviced
- new residential development adjacent to existing development

Urban downtowns

The RPAC recommends that:

14.39 Due to the significant public infrastructure investment already in place, as well as the social and historical significance of downtowns, Manitoba planning policy discourage developments that would significantly detract or weaken downtowns.

14.40 The renewal and revitalization of the inner city of Winnipeg should be a priority of Manitoba planning policy. New land uses viewed as leading to the further deterioration of the inner city should be discouraged.

14.41 In urban centres, Manitoba planning policy direct most commercial facilities, public offices, institutional facilities, intensive indoor recreational facilities, and like uses, to the downtowns of those centres.

14.42 In order to help revitalize the downtown cores of urban centres, Manitoba planning policy should encourage the location of residential development in and near their downtowns. In association with this recommended policy direction, governments should be encouraged to adopt live-near-your-work, mixed-use, downtown-first, and 'liveable-communities' policies.

14.43 Manitoba planning policy should encourage the development of 'main street' areas in Winnipeg neighbourhoods with a variety of existing shops and services since these developments enhance the 'mixed use' or 'liveable communities' concept in Winnipeg.

14.44 Manitoba planning policy should increase public access to the downtown of Winnipeg and Selkirk by encouraging improved public transit (in Winnipeg), and planned linkages of the street system, public walkways, green spaces/corridors, bicycle/walking paths, and waterfronts.

New development

The RPAC recommends that:

14.45 As a part of 'liveable-communities' and 'live-near-your-work' policies, Manitoba planning policy should encourage new residential developments in Winnipeg to include commercial and compatible light industrial development.

14.46 Manitoba planning policy should discourage the establishment of new regional shopping centres or large format commercial developments beyond established commercial areas. Such major commercial developments should be directed to the downtowns or to existing commercial areas in the Manitoba Capital Region.

14.47 Manitoba planning policy should encourage the locating of developments in the City of Winnipeg such as major industrial, commercial, or residential development in areas that are accessible by existing transit routes.

14.48 Manitoba planning policy should ensure that the potential number of urban residential lots available in settlement centres and urban centres bears a reasonable relationship to demand. The municipal and regional supply and demand of urban residential lots in the Manitoba Capital Region as a whole should be taken into account when designating lands and reviewing subdivision applications at both the municipal and provincial levels of approval.

IMPROVEMENTS TO OTHER LEGISLATION OR POLICIES

The issues that face the Manitoba Capital Region do more than cross municipal borders, they also cut across the jurisdictions of various government departments. To this point the recommendations in this chapter have been largely directed to the Manitoba Department of Intergovernmental Affairs and the direct provincial land-use planning process. Improved regional planning will require the participation of other governmental departments, agencies, and levels of government. For these reasons, the RPAC is making the following, more broadly focussed recommendations.

The RPAC recommends that:

14.49 The Government of Manitoba review, update and adopt the Model National Energy Code for Buildings and apply it to all new construction or major renovations of existing provincial facilities.

14.50 The Government of Manitoba lead by example and adopt LEED™ Silver (Leadership in Energy and Environmental Design) building certification standards in the construction and major renovation of its own facilities and its crown corporations.

14.51 The Government of Manitoba give preference to capital projects which demonstrate LEED™ Silver building certification standards to ensure more stringent environmental regulations for increased sustainability of new and existing buildings.

14.52 The Government of Manitoba ensure that provincial building codes take into account accessibility and universal design principles.

14.53 Municipal, planning district and provincial government authorities encourage designs in planning which are energy efficient and those that can assist in lessening harmful emissions which may accelerate climate change.

14.54 Governments should continue to implement programs with the intent of further encouraging developers to re-use, re-develop, and build new residential and commercial development in Winnipeg's inner city and the older areas of Selkirk.

14.55 The Government of Manitoba expand soil testing to ensure more accurate, appropriate, and sustainable fertilizer application to meet the needs of gardens, crops, etc., in both rural and urban settings.

14.56 The Government of Manitoba amend its sewage and septic field regulations to require mandatory testing, and proper maintenance of such systems. Furthermore, provision should be made for the regular inspection of the sewage and septic systems.

14.57 The Government of Manitoba establish a detailed Geographic Information System for the Manitoba Capital Region to facilitate land-use planning.

14.58 The Government of Manitoba should amend *The Environment Act* to ensure that those developments for which licensing is required are evaluated according to effects assessment guidelines.

14.59 The Government of Manitoba publish a status report on the progress of the implementation of the recommendations of the Consultation on Sustainable Development Implementation. The report should describe how COSDI has been integrated into policy, regulations, finances, and decision-making.

14.60 That the Government of Manitoba prepare a provincial policy statement dealing with sustainable development in the Manitoba Capital Region. Such a statement should be based upon the COSDI approach and would become a frame of reference for the work of district planning boards, municipalities, and conservation districts, while helping to ensure that provincial strategies, such as those responsible for soil and water, take the particular needs of the Manitoba Capital Region into account.

Chapter Fifteen

Looking forward

This report calls upon governments in Manitoba's Capital Region, in collaboration with one another and in partnership with other organizations and individuals, to develop new and practical approaches towards a positive regionalism for the 21st century. There have been encouraging new developments within the Region, but the pace and the extent of regional activity needs to increase in order to promote economic opportunity, improve the quality of life, and to protect the environment for future generations.

Positive regionalism involves collaborative actions of regional benefit that cannot be taken as efficiently or effectively by the sixteen municipalities acting alone. But positive regionalism is about more than governments working together better. It must also involve the identification of opportunities and creative problem solving by all segments of the regional community. An open, consultative, responsive, and accountable process of region building will identify new ideas, promote greater understanding of contending interests and values, encourage cooperation, and build trust and confidence. Regional planning is about choices and the accommodation of differences; how the process is conducted is as important as the plan itself.

The RPAC began its work in September 2001. The past two years have involved numerous public and private meetings, as well as many working sessions of the Committee as it drafted its Discussion Paper, Interim Report, and now this Final Report. For all members of the Committee, the process has been highly educational. We have come to know and understand the Region much better than when we first embarked on this journey of discovery. Hundreds of people have helped us to achieve this greater understanding of both the distinctive features, great strengths, and future opportunities of the Region. We wish again to acknowledge and sincerely thank all those organizations and individuals who shared their experience and ideas with us. You have enriched our understanding of the issues. Even when your opinions did not provide the basis for direct discussion or did not lead to a recommendation in this Report, they were important to helping us to understand the regional context in more concrete, less abstract terms.

Committees appointed by governments to study so-called "problems" almost, by definition, have to spend more time discussing the complications and constraints than celebrating the accomplishments. The RPAC has tried to present a balanced picture of the past, present, and future of the Region. We regret that limitations of space and the endurance of our potential readers did not allow us to tell more success stories. There are many such stories that could be told. There is great strength, ingenuity, capability, and commitment within and among the sixteen governments that comprise the Capital Region. There are many features of the local planning systems that are not broken and therefore do not need to be fixed. What is needed to respond to changing circumstances are refinements and modernizations of the existing land-use planning system, not a complete overhaul of that system.

The RPAC was impressed with the dedication and commitment of the women and men who serve in elected office throughout the entire Capital Region. The occupation of elected politician is not viewed in as favourable public light as it once was. This is unfortunate because the municipal leaders we met clearly put the needs and interests of their citizens at the centre of everything they do. Their jobs are difficult and demanding. They recognize the need to accommodate different perspectives. To a much greater extent than is popularly assumed, they also recognize the interdependence among the communities that comprise the Region. They accept that the success of one municipality does not necessarily prevent other municipalities from realizing their aspirations. Unfortunately, it is the perceived and real conflicts between and among communities that generate attention and public misunderstanding. Beyond a certain point, attempts to analyze who benefits and who pays for various types of regional developments and related government spending comes to a dead end. A "balance sheet" of "winners" and "losers" is not the way we need to think about the Region. Given past developments and anticipated trends, politicians and the communities they represent will be required even more to think and to act within a framework of positive regionalism.

The RPAC's task, based upon consultations, was to provide advice and recommendations to the Government of Manitoba and its regional partners on future directions for Manitoba's Capital Region. It was not the Committee's job to resolve current issues within and among governments. However, the RPAC had to be aware of how past developments and current controversies set the context for future developments.

Most change involves keeping at least one foot in the past, while taking small steps into the future, parts of which are inherently unknowable. The RPAC has sought to identify a future destination and to provide a general road map on how to get there, but the detailed itinerary must appropriately be left in the hands of the elected provincial and municipal representatives. So, in a way, this report is the beginning of the journey, not the end. The RPAC believes that the real work begins as it submits its report. We have crafted a map towards regionalism with a purpose, based upon strength and commitment by both municipal and provincial governments, and with the involvement of all parts of the regional communities. Now the Committee encourages governments and others to debate, adopt, and energetically pursue our recommendations.

Those recommendations are meant to be based on common sense and practical solutions. We examined approaches to growth management and land-use planning used in other jurisdictions but always came back to the question of the relevance of those approaches to the distinctive context of the Manitoba Capital Region. We have sought to present the pros and cons on various proposals so that, regardless of the fate in terms of adoption of our specific recommendations, there will be some lasting educational value in the analysis itself. We resisted being swept along by buzzwords and the hype surrounding so-called new approaches. We recognized the need for credibility and feasibility in our recommendations. Even if an approach used elsewhere is deemed to represent "best practice," this does not mean that it would fit with the Manitoba situation, that it would be affordable, or that it would be politically feasible.

At our hearings we were told that past advisory committees and governments have too often over-promised and under-delivered. Realistic expectations of the benefits of reform need to be set to avoid deepening public disillusionment with the efforts of governments. There are limits to what governments, whether acting alone or in partnership with other sectors of society, can do to improve dramatically in the short term, the economic, social, and environmental well-being of their communities. There are much larger forces at work beyond the boundaries of the province that will greatly shape the future of the Manitoba Capital Region. On its own, better regional planning will not generate higher levels of economic prosperity and social progress. Other jurisdictions are ahead of Manitoba in terms of developing and implementing strategies to enhance the competitiveness and attractiveness of their city regions to the knowledge-based industries and workforces of the future. With so many jurisdictions pursuing the same basic approaches, the advantages to a particular city region are to a great extent offset.

Recognizing these realities does not mean lapsing into pessimism and a "do-nothing" approach. Accepting the importance of economic regions and the potential detrimental effects of divided jurisdictions is the first step. Mobilizing support and commitment for regional goals is the second step. Working out the details of partnership arrangements and action plans is the third step. The fourth step is to ensure implementation and to sustain commitment.

The RPAC recognizes that this report comes at the end of a long lineup of previous reports dealing with various aspects of the Manitoba Capital Region— *The Winnipeg TransPlan 2010 Report* (1998), *The Capital Region Review Panel Final Report* (1999), *The Drinking Water Advisory Committee Report* (2000), *The Sustainable Livestock Development in Manitoba Report* (2000), the *Manitoba and Climate Change Report* (2001), and *The Consultation on Sustainable Development Initiative* (2001)—to name but a few. These reports constitute a legacy of analysis and recommendations for potential future use by governments. However, during our hearings we encountered a certain amount of fatigue and frustration with so many rounds of consultations and too little change to the dynamics and outcomes in different areas of public policy within the Capital Region. To respond to this sort of cynicism and to encourage a process of debate we make one final recommendation. Within two years of the release of this report, the Minister of Intergovernmental Affairs, on behalf of the Government of Manitoba and in consultation with the Capital Region municipalities, should prepare a status report on the actions taken to that point to implement the recommendations presented in this document. Acceptance of this recommendation will be a positive sign of the provincial government's commitment and willingness to be accountable, for the development of an ongoing agenda of positive regionalism for the 21st century.

The RPAC recommends that:

15.1 Within two years of the release of this report, the Minister of Intergovernmental Affairs, on behalf of the Government of Manitoba and in consultation with the Manitoba Capital Region municipalities, should prepare a status report on the actions taken to that point to implement the recommendations presented in this document.

Appendix One

MUNICIPAL VISITS

RPAC held meetings with Manitoba Capital Region municipal government representatives on the following dates.

Cartier: The Cartier Council declined RPAC's request for a meeting.

East St. Paul: October 30, 2001

Headingley: October 16, 2001

Macdonald: October 23, 2001

Ritchot: October 24, 2001

Rockwood: November 14, 2001

Rosser: November 22, 2001

St. Andrews: October 30, 2001

St. Clements: ctober 30, 2001

St. François Xavier: October 18, 2001

Selkirk: November 5, 2001

Springfield: October 23, 2001

Stonewall: November 14, 2001

Taché: October 23, 2001

West St. Paul: November 13, 2001

Winnipeg, (staff) Senior Management Team meeting: January 3, 2002

Winnipeg, (Executive Policy Committee, in-camera meeting), April 3, 2002

Appendix Two

PRESENTERS AT RPAC PUBLIC MEETINGS

Selkirk: May 16, 2002

More than 60 people in attendance

Murray Foster, Councillor, *RM of St. Andrews*

Dave Gera, *Association of Rural Municipalities (ARM) representative*

John Holland, Reeve, *RM of Springfield and ARM representative*

Janet McLuhan

Kerry McLuhan

Erwin Siedel

Darlene Swiderski, *Councillor, City of Selkirk*

Marilyn Woloshyn

Headingley: May 21, 2002

56 people in attendance

Glenn Dickson

Jon Gerrard , *Member of the Legislative Assembly for River Heights and Leader of the Manitoba Liberal Party*

Paul Moist, *Canadian Union of Public Employees, Local 500*

Lorne Sharfe

Rob Walger

Marcel Taillieu

Wilf Taillieu, *Reeve, RM of Headingley*

St. Adolphe: May 22, 2002

19 people in attendance

Rodney Burns, *Reeve, RM of Macdonald*

Paul Clifton

Marcel Hacault, *Manitoba Pork Council*

Elmer Hywarren

W. Tom Raine, *Chief Adminstrative Office, RM of Macdonald*

Gene Whitney, *Councillor, RM of Ritchot*

Oakbank: May 23, 2002

85 people in attendance

Karen Carey

William Danylchuk, *Reeve, RM of Taché*

Mel Didyk, *Chief Adminstrative Officer, RM of West St. Paul and ARM representative*

Kenneth Edie

Dave Gera, *ARM representative*

Gladys Hayward Williams

John Holland, *Reeve, RM of Springfield*

Erwin Holowich

Gordon Kraemer, *Reeve, RM of West St. Paul*

Ken Lucko, *Councillor, RM of Springfield*

Al Macatavish, *Elmhurst Golf and Country Club*

Al Mackling

Jack McCombe

Kerry McLuhan, *RM of Springfield consultant*

Chris Pawley, *ARM representative*

Janis Regehr, *Pine Ridge Hollow*

Claude Roeland, *Keystone Agriculture Producers*

Don Shaw, Councillor, *RM of West St. Paul*

James Thomas

Randall Znamirowski

Winnipeg: May 25, 2002

100 people in attendance

Bill Blaikie, *Member of Parliament for Winnipeg-Transcona*

Bob Bodnaruk

Teresa Ducharme, *People in Equal Participation*

Lesley Fuga

Carolyn Garlich, *Council of Women of Winnipeg*

John Holland, Reeve, *RM of Springfield*

Ken Klassen

John Kubi

Kelley Kuryk, *Citizen Appointee, City of Winnipeg Civic Environmental Committee*

Joe Matula, *Gunn Road East Residents*

Norma Matula, *Gunn Road East Residents*

John Morrison, *South Interlake Agricultural Society*

Glen Murray, *Mayor, City of Winnipeg*

Jack Oatway, *Councillor, RM of Rosser*

Darryl Reid, *Member of the Legislative Assembly for Transcona*

Graham Starmer, *Manitoba Chamber of Commerce*

Dudley Thompson, *Prairie Architects*

Jack Wilson, *Manitoba Chamber of Commerce*

Winnipeg: June 26, 2002

22 people in attendance

Horst Backe

Elizabeth Fleming

Fred Morris

Bill Paulishyn, *Councillor, RM of Springfield*

Harold Taylor

Appendix Three

SUMMARY OF PRESENTATIONS TO THE RPAC

Members of the public who made presentations to the RPAC were encouraged to comment on the RPAC discussion paper, *Strengthening Manitoba's Capital Region, General Principles and Policy Directions*. In particular, they were asked to comment on the topics in Section Two of that document. The RPAC has prepared the following summary on the comments that presenters made at our meetings. The comments have been organized according to the sections of the RPAC discussion paper to which the presenters were referring.

SECTION 2.1: GENERAL GUIDING PRINCIPLES FOR THE CAPITAL REGION

Municipal Role in Planning

Several participants were reluctant to accept that municipal planning decisions should operate within provincially approved parameters. Others sought clarification of those "parameters."

- The province should not hold planning responsibility for the region, as it will be biased toward the interests of Winnipeg.
- The word "parameters" without definition raises concern to the municipalities on the periphery of the City of Winnipeg and beyond. It suggests they will be subjected to some form of legislative limits...What is meant by provincially approved parameters?
- The phrase "within provincially approved parameters" should be struck from section 2.1.1. We are suspicious of the provincial government having any role whatsoever because we are nervous of their political agendas. We want respect for our boundaries and our residents...We want constitutional status and not to be creatures of the Province any longer.
- Reject notion that provincially-approved parameters should constrict municipal planning decisions.
- Comments on ambiguity of statements: "Municipalities should continue to have primary responsibilities for *day-to-day* land use planning within *provincially approved parameters*." Does "day-to-day planning" mean just the issuing of building permits and what is meant by "provincially approved parameters?"
- The mandate of the Province to do regional planning must not interfere with development opportunities in any of the municipalities of the region. Policy direction must not be confused with outright control.
- Municipal government should be an extension of the community, offering its citizens the kind of development and employment opportunities they want or don't want in their community. The province approves municipal development plans, but that's where their authority should end...it's imperative that another level of government does not dictate policy.

No New Level of Government

Rejection of any new level of government was almost universal among participants who commented on Section 2.1.2. of the RPAC Discussion Paper.

- Agree that there should be no new level of government.
- We are pleased to read that *"no new level of Government"* is being considered.
- Pleased that no new level of government is being considered.
- No one wants a new level of government.

Provincial Roles and Responsibilities

Many participants suggested that the Province should be responsible for "leveling the playing field"—establishing a consistent, coherent framework for development throughout the region. However, responses varied between those arguing the Province should merely provide 'guidance,' and those advocating legislated interventions. The notion that the Province should provide 'leadership,' whatever the planning process, was broadly supported, although some thought that leadership should emanate from the municipalities.

- The Province, in addition to other levels of government, should work to eliminate barriers and provide incentives for business development throughout the Capital Region. At present there is too much red tape.
- Resolves: THAT the Provincial Government should provide policy leadership by creating forums and opportunities for sharing information and conducting meaningful dialogue and also should promote the emergence of a shared vision for the Capital Region that provides a sense of unity and direction for all stakeholders.
- Seeks clarification of the "regional" responsibilities that the RPAC attributes to the Province: When is a regional issue not a municipal concern? There appears to be some over-lapping in responsibilities. Supports leadership role of Province: Leadership should be provided by the Province, which could result in better communication and co-operation between the Capital Region municipalities.
- The Province should strengthen and rigidly apply Provincial Land Use Policies to all municipalities in the province. A strict set of guidelines for development, which are even handedly and consistently enforced, would set the framework for constructive cooperation in many areas.
- Stronger, more efficient land use policies should be adopted to avoid land use conflicts [the PLUPs] read well, but they are not applied well.
- Supports the idea that regional planning should be a provincial responsibility: Councillors who are elected on a ward system do not have a big-picture view of the region or sometimes even of their municipality as a whole. We should have not just an inter-regional planning perspective, but an inter-sectoral planning perspective.
- The Province should not be aiming to develop a regional plan, but rather a participatory framework out of which such a plan might be developed. Through such a participatory framework the Province should work to facilitate intermunicipal cooperation and build a coherent regional economic vision.
- The Province should work to develop a consistent regional management plan, and should use Plan Winnipeg as its starting point.
- The Province needs to provide leadership. Lack of leadership by the Province is what led to the failure of the Capital Region Committee. A comprehensive land use plan for the entire region, with built-in community plans, is a must.

- Supports the Province in developing a regional development plan.

- Province should take a strong leadership role. Plans should be done in a prescribed format by the government so a level playing field is created. A standard format for by-laws is also a good idea.

- There is no need to add an additional layer of policy such as a Capital Region policy plan. Most governments are trying to streamline, not add more. If a Capital Region plan must be undertaken, it should be written by a non-political entity.

- Strongly supports the RPAC principles 2.1.3. and 2.1.4. There should be a legislative framework for development in the Capital Region. The one thing missing from the recommendations is a clear definition of what provincial leadership is. We submit that it is ultimately the Province's legislative authority to regulate development in the Capital Region if the long-sought cooperative approach does not work.

- The provincial government must spur the municipalities to take action; it must offer leadership in one of two ways: 1) preferably, by challenging municipalities to work together in the development of a regional partnership, or 2) by legislating the Capital Region into existence and enforcing policies.

- It is important that community leaders, business leaders, the general public, and the movers and shakers in industry, spearhead the effort that is needed to formulate, develop and introduce specific strategies. Municipal government, for the most part devoid of political affiliations, is the closest to the people and perhaps best equipped to determine its place and/or contribution in a regional setting. The Province's role is to ensure that what municipal governments propose are consistent with whatever goals the region has set or is striving to accomplish.

- Province must be equitable in its dealings with Winnipeg and the RMs: If taxes are raised in rural areas to maintain the City's competitive edge, will the Province pay for paving the roads, street lighting, sidewalks, wells, septic fields, arenas, etc., etc., that rural people will expect? Should the province refuse to accept and recognize municipalities [as a] form of government capable of governing itself, I would suggest it do away with them and simply appoint some form of governor to oversee its affairs and collect the necessary taxes.

SECTION 2.2: PROMOTING INTERGOVERNMENTAL COOPERATION

Public Consultation and Cooperation, and Government Accountability

Many participants emphasized the importance of a balanced, participatory and constructive *process* in the development of a Capital Region plan or initiative. Some participants discussed the importance of political accountability.

- You need a good process to develop a good plan. Such a process should begin with municipalities taking the initiative and talking to each other, not waiting for the Province to suggest or legislate changes.

- A good process is fundamental and should precede any policy plan. This process must include thorough public involvement. So far, the RPAC has been unsatisfactory in this regard.

- A good process requires that leaders act responsibly and accountably: If any elected person appears to be more interested in re-election than serving the public, document it and make it public. If any senior staff person is more interested in comfortable longevity on the job than in seeking innovative, less costly ways to serve the public, document it and suggest pointedly that perhaps he/she should seek other possibilities.

- Public consultation and a dynamic debate must be ongoing. We want to be continually involved.
- The goal should be to develop a participatory framework, not a Capital Region plan (the former must precede the latter).
- Two principles must guide regional policies and plans: public participation and collaboration/cooperation between jurisdictions. Residents must be provided with maximum opportunity for a voice into regional matters and have power of decision with respect to those matters that are more local in nature.
- When carrying out public consultations, the RPAC must carefully assess whether or not it is hearing from the real public, as participants in development plan consultations are often motivated by potential for economic gain.
- The discussion paper presented to the public less than one month ago raises more questions that it gives answers. Do the right thing! Turn back the clock! Listen to people. We are, after all, the Province's and City's greatest resource.
- Public consultation can be a fundamental component of the planning process, however, that consultation needs to be structured in such a way that it doesn't become so cumbersome as to restrict or result in missed opportunities for development in the region.

Talking to Each Other

There seemed to be broad support among participants for a new mechanism to improve communication in the region, especially between the Rural Municipalities and City of Winnipeg. Most comments submitted with regard to the formation of a Capital Region Secretariat were favourable. However, many participants emphasized that such a body should not have decision-making authority, that it should act merely as a forum of discussion. Several participants voiced their support for the creation of a dispute resolution procedure.

- Speaking on the Springfield-Transcona school district controversy: There should be adequate rural representation on a planning body to ensure that 'mutual benefit' means rural benefit as well. There should be a fair and impartial appeal process.
- Resolved: THAT communications between Capital Region municipalities should be strengthened and in particular better mechanisms for improving communications between the City of Winnipeg and adjacent municipalities should be found at both the political and administrative levels.
- Will the creation of a Capital Region Secretariat evolve into a new level of government?
- Before anything else you need to establish a way of solving disputes. It must be done in a manner that will take the politics and the politicians out of the mix. Perhaps a committee established out of the Ombudsman's office that is independent from outside interference. An independent group with no political ties would go a long way in building trust in the system.
- A starting point might be a Communications Secretariat. Municipalities should take the

initiative and not wait for the Province.

- Would like to see some cooperation and dialogue, and a voluntary method to resolve disputes.
- Communication is key, but it is the quality of communication, not the quantity, that is really important. The RPAC should pay attention to past attempts at regional structures and dialogue, and learn from their mistakes. It might be wise to stay off controversial topics like tax and service sharing until a better atmosphere of trust has been established.
- The Region's municipal bodies need a forum to resolve differences and to understand the issues that affect everyone.
- We need the resources to help build our region, such as a Secretariat. Most growth comes from immigration. We need an organized plan that says where people should live and work.
- Talking to each other as members of the region must be encouraged and improved. The idea of the Province supporting a research and information database is one way to share information with each other and will not only assist with the communication between organizations, but can also be used to promote the region as a whole. A small Capital Region Secretariat could assist in the coordination of that data and act as a primary contact for members of the Capital Region.
- Supports the idea of a Capital Region Secretariat. The idea of the Secretariat should be expanded and named the Capital Region Planning Advisory Secretariat. It should be comprised of one member of each municipality in the planning districts of the region. Members should be appointed for four-year terms, meet on a quarterly basis, be responsible for developing and implementing a regional plan, and advice to the Province. Decisions can be taken on consensus and Winnipeg should have no greater representation than any other member. There should be a Provincial database for the region including GIS.
- Supports a provincially-appointed dispute mechanism. Also supports a Capital Region Secretariat: it shouldn't be voluntary; could be funded by cost-sharing and funded in accordance with recommendation 42 of City of Winnipeg Act Review Committee Report; it should not have decision-making powers but should report to the municipalities and the Minister.
- Supports the idea of a dispute mechanism.
- Supports the idea of a Capital Region Secretariat. Also offers a proposal for a dispute settlement mechanism: Would it be useful to have the possibility of a small conflict resolution committee that would be consulted first before any dispute would be brought to the Provincial Government. For example, two municipalities that are at odds over an issue could ask for a three-person committee composed of representatives from three other municipalities agreed upon by the disputing parties to resolve the issue in a non-binding recommendation. Should they fail to resolve the issue it would then go to the Provincial Government...

Sharing of Services

Most participants who commented on this topic were in support of service sharing. However, participants sought clarification on which services might be shared, and were wary of the potential for amalgamation. A minority of participants supported amalgamation coinciding with service sharing.

- Resolved: THAT sharing of services among municipalities should be encouraged. We are pleased that the Capital Region proposed a formula whereby municipalities of the Capital Region and City of Winnipeg could work together on the mosquito larviciding program. Other programs on a larger scale must also be encouraged.
- Services (e.g., sewer and water) should be extended where it is mutually beneficial, ecologically efficient and does not require subsidy; where water and sewer are extended to peripheral areas, such areas should be annexed to the jurisdiction providing the services. Service sharing agreements should be a matter of public record.
- A distinction between urban and rural services should be maintained. Adjacent development should be incorporated into the City.
- Anecdotal evidence in support of service sharing: industrial fires in neighbouring Springfield can be threatening to Transcona residents, but Springfield firefighters operate on a volunteer basis and have a much slower response time than Winnipeg fire fighters. The RPAC [should] recommend that the City of Winnipeg and the neighbouring rural municipalities be required to sign a contractual arrangement for shared mutual aid emergency services including sharing of the associated costs.
- Not opposed to the extension of services.
- There has to be a regional focus in this plan on those matters/services/issues that transcend municipal boundaries such as transportation, economic development, management of waste, tourism, etc. The extension of services into an adjacent under-serviced area should be the subject of annexation and/or tax sharing considerations.
- Winnipeg should not give its services (e.g. firefighting) away for free; municipalities using them should pay a reasonable fee.
- The region should have a coherent public transit system, as with other cities such as Ottawa, Montreal and Vancouver. There used to be such a system using tramlines, but it has since been abandoned. The region needs common services, not just shared services.
- The sharing of services among municipalities should no doubt be encouraged where it is practical and financially viable. The municipality [of Macdonald] has approached the City of Winnipeg to consider the sharing of services on several occasions and for whatever reason there does not appear to be an interest to consider that as an option. All people in the within the region should have access to very basic services such as sewer and water provided that they are prepared to assume the cost associated with those services.
- Anecdotal evidence in favour of service sharing: since Winnipeg has rescinded ambulance service to Ritchot, ambulance response time has increased to 45 minutes.
- Supports logical sharing of services, such as water. This should be part of a wider strategy.
- Services should be shared where it is not economically feasible to maintain them for small communities.
- A new regional service should be developed in the form of an environmentally sustainable Efficient Rapid Transit System.
- Municipalities may want to share various services, such as police, fire, ambulance, etc. However, it's imperative that another level of government does not dictate policy.

Identifying and Seizing Economic Opportunities

Broad support exists for "thinking regionally" in terms of economic development.

- Resolves: THAT economic development should be actively promoted and coordinated on a regional basis.
- The Capital Region as a whole should have a common economic vision, and work to develop economic activities and support businesses in areas such as agri-tourism.
- Springfield and other area municipalities should focus on attracting compatible and sustainable development that offer such compelling advantages to the Region and the Province that neither the Province nor the City could oppose its location in the rural portions of the region.
- Keystone Agricultural Producers supports the idea that municipalities should develop a unified regional approach to economic development.
- Acknowledges the need to think regionally in order to compete globally, but thinks that, as long as Winnipeg seeks to dominate its relationship with other municipalities, cooperation is difficult.

Inter-Municipal Tax-Sharing

Participants were divided in their positions toward intermunicipal tax-sharing. Some offered anecdotal examples to support their positions.

- Speaking on controversy over the Springfield-Transcona school division: it is difficult to consider sharing taxes when our children can't continue to access the schooling services that they have for years.
- [Tax sharing] better not materialize. Why should well-administered municipalities have to share their tax-base with the 'ill-run' City of Winnipeg?
- Not supportive of tax sharing because it might make public officials less directly accountable to citizenry.
- Speaking on the Transcona-Springfield industrial development controversy: Can the City of Winnipeg and the Rural Municipality of Springfield partner in the ownership and related costs incurred to maintain a green space buffer on the City side South of Gunn Road? Could there be a tax sharing agreement where Springfield contributes to maintaining this green buffer?
- Intermunicipal tax sharing may be possible and appropriate for the Capital Region and will probably be most acceptable if it was part of a shared services agreement.
- Tax sharing could be beneficial if all areas were to adopt sharing agreements, so that one area would not get the benefits of an Intensive Livestock Operation (ILO) and another area would get the costs and nuisances associated with it.
- There is gross disparity in the level of taxes raised by different school divisions in the City of Winnipeg, and they don't share well with each other. How then can tax sharing be achieved at the regional level?

SECTION 2.3: WATER

Water Quality and Quantity

All participants suggested, in one form or another, that action must be taken to improve the quality of water and water servicing in the Capital Region. Several contributions addressed the issue of septic field contamination of rivers and groundwater, emphasizing that the Province was responsible to confront this issue. Some participants identified perceived inefficiencies in current water servicing systems.

- Shoal Lake has an abundant supply of water, whereas regional groundwater supplies may not be sustainable in the long term. Therefore, Winnipeg should share the Shoal Lake supply with the rest of the region. Winnipeg's water supply should be looked at as the Capital Region water supply. Regarding septic fields: Provincial standards, not guidelines, must be established to determine where septic fields can be established, and where they must not be located.
- Resolved: To ensure that Regional and provincially significant resources, including ground and surface water sources, are wisely used, and protected where necessary, and be developed in a fair and equitable manner for the benefit of the region as a whole.
- The RPAC report should address the Manitoba Water Strategy: With all of the water related issues addressed in the report and with the provincial priority given to water, it is hard to imagine not referring to the Manitoba Water Strategy.
- Management of groundwater requires technical expertise and ability to withstand political pressure (e.g., for irresponsible development). Once damage is done to an aquifer, it is long lasting regardless of measures that may be taken to restore it. An appropriate place to go to for expertise: the Water Resources Branch Groundwater Section has built up knowledge of groundwater aquifers in Manitoba that is substantially superior to that in any other province.
- Pesticide, insecticide, fertilizer and sewage sludge each pose major concern with regard to water contamination. Contamination should not be blamed just on poor septic field regulations in the RMs; the City of Winnipeg also deposits sewage into the rivers.
- Blame for septic field contamination should not be placed on RMs, as the Province sets septic field standards: The municipality has never had jurisdiction over the design, installation and inspection of private sewage disposal systems nor has it ever had responsibility or control over groundwater wells and their installation. The Province preaches preservation of groundwater in restricting Springfield's development around Birds Hill Park, yet it threatens this water source permanently with its own recreational and floodway development.
- Water quality and quantity is of concern to many aspects of agriculture. Development (agricultural or residential) should not lead to the depletion of groundwater, especially for existing users.
- The discussion document deals with all matters considered in the new [Manitoba] Water Strategy. The two initiatives need to be on the same page.
- The RM of Macdonald does not have its own supply of potable water. Formerly had to have water hauled in from the City of Winnipeg; the City refused to extend piped services despite the fact that water being hauled was from its own standpipe. Since then a new system has been installed for the RM at greater cost than would be required to extend service from Winnipeg.
- Province must enforce its septic field regulations.
- Agree with the RPAC's water policy suggestions. Also, there should be a standardized Capital Region water policy that all municipalities must adhere to. For example:

standardization of training for water treatment systems makes good sense. These are services that we can share. We have a common interest in a water strategy.

- Contamination not just the result of rural septic fields: Septic effluent into the Red from failed septic fields is no different than the combined sewer system in Winnipeg adding sewage into the Red after a heavy rainstorm.

Surface Drainage

Many participants criticized the provincial government for poor management of provincial drains. Others emphasized the importance of drainage to agriculture and advocated potential interventions.

- Overland flooding could be mitigated if the Province took on appropriate responsibility to manage provincial drains.
- Producers of grains, oilseeds and special crops are very dependent on surface drainage due to the heavy clay soils common in this area. Keystone Agricultural Producers support the need for the existing provincial drainage system to be repaired and maintained in a proper manner.
- By removing natural features of the local landscape, such as marshes, we have diminished the drainage capacity of the region. Also, we have a great deal of ex-urban development, but only an agricultural drainage system outside Winnipeg; this is not sustainable.
- Drains are a major issue: In 2001, Rosser RM, through a voluntary survey done in cooperation with the Agricultural Society identified $1.5 million dollars of crop losses caused by drainage backup and excessive water. For years the drains involved have been plugged and overgrown with weeds and, as evident in 2001, they are no longer capable of handling water within the system. Many of these drains are located in the City of Winnipeg.
- Surface drainage is critical, especially to the viability of agriculture; in-stream flow consideration should be extended to the LaSalle River.
- Problems with provincial drains must be rectified.
- Proposes the creation of a high-level diversion channel from the Red and Assiniboine Rivers to Lake Winnipeg: The present levels of our rivers are too high. Water is being held up from getting into our lakes by restrictions at the mouth. These channels need dredging. The high water levels in the rivers restrict our creeks from draining our farmland. Also concerned about drains: present upkeep is unacceptable. A serious cost is being born by farmers as a result of overland flooding. The Department of Highways must supply drainage for highways.

Shorelands and Watershed Systems

Participants commenting on this area stressed the need to acknowledge the natural processes of riparian systems and manage development accordingly. Several participants stressed that strict limits should be placed on development that might interrupt these natural systems. Three participants, each with expertise in the field of water resource management, suggested a comprehensive watershed plan be developed for the Capital Region.

- In looking at options, one needs to understand rivers and river systems: the Assiniboine River, when left alone, will naturally erode; its ecosystem is adapted to this. Stabilization for property development keeps river in a pristine state, but one that is not necessarily natural; we must remember this. We must also understand the floodplain of our rivers to properly guide development.

- Some lands are suitable for sewage disposal, others are not. Provincial standards are not high enough to prevent sewage from flowing into the Red River. Everyone has a role to play. Ten per cent of the water in Lake Winnipeg comes from the Red River, but two-thirds of the nutrient loading of the lake comes from the Red. The lake is showing the first signs of dying because of nutrient loading and the additional silt coming down the river. There is also a problem with riverbank erosion: as farmers confront economic challenges they expand land under production and remove natural vegetation around riverbanks. This vegetation is essential to preserving riverbanks by holding them in place. Overall, maybe a water-management system or conservation district might be suited to the region.

- A river does not occupy a stationary riverbed. It is a dynamic system and in erodable soil it moves around. I have always been of the opinion that the forces of nature are not to be fought and controlled (expensive) but to be accommodated or avoided. Let the river do what it does and keep structures away so that they will not be threatened at least within a reasonable life for the structure. *The Rivers and Streams Act* allows municipalities to make some decisions about the type of development allowed on private property bordering rivers; do they use it? Also suggests that a conservation district, following the region's watershed boundaries (or possibly municipal boundaries) could be set up under the *Conservation Districts Act,* and could handle several natural resource management issues, including water; it could be a governing body drawn from municipal councils.

- Advocates Integrated Watershed Planning, a fundamental component of the Manitoba Water Strategy: This is of particular concern because the Capital Region would likely have the most to benefit [among provincial regions] from integrated watershed planning. In view of the water quality lessons learned in Ontario and Saskatchewan that water quality can best be addressed on a watershed basis, I believe integrated watershed planning must be considered a Capital Region priority.

Flooding

Participants in this section discussed the nature of development that should or should not be allowed within flood-prone areas, the importance of flood protection measures and appropriate government responsibilities.

- Recommends the RPAC use precise wording in its report: to protect settlement areas and minimize risk of property damage from flooding, to legislate residential setbacks from rivers that are subject to bank erosion or flooding.

- The RPAC must recognize the politics that surround flooding—e.g., relaxation of building standards because of lobbying of local politicians—and be very precise in the prescriptions it offers in its report,

- All new residential development on the flood plain, not connected with an agricultural operation, should be directed toward protected communities. Mound living should be discouraged. Even if a property does not suffer serious flooding damage, there are likely to be other costs to the public in the event of serious flooding, particularly costs related to the necessity for evacuation.

- The most recent draft of the Macdonald-Ritchot Plan designates some areas that are flood-prone as residential. This should be forbidden; no residential development should occur on the floodplain.

- Concerned that flood protection for the City of Winnipeg is carried out at the expense of protection for other municipalities in the region.
- Region must work to ensure that costs of flooding are minimized.
- Do not allow livestock operations in flood prone areas. Flooding of these animal waste lagoons is very damaging to all the lands that this contaminated waste covers and also to the lake.
- Flood protection for the City of Winnipeg and other municipalities must be addressed in the RPAC's report: From my perspective, I don't know of a more important issue facing Winnipeg and affected municipalities.

SECTION 2.4: WHERE WE LIVE

Specific Land Use Conflict or Controversy

All specific conflicts or controversies that were raised in relation to incompatible land uses involved the City of Winnipeg. Often, it was suggested that the City of Winnipeg abused its regional authority, misusing property it holds in other municipalities and sponsoring irresponsible peripheral development. Some City of Winnipeg residents identified incompatible land development in peripheral municipalities that adversely impacted their quality of life.

- Concerned with Springfield-Transcona school district controversy. This should be resolved with A 'symmetrical' acceptance in Government departments to respect existing boundaries and maximize use of existing infrastructure.
- Speaking on City of Winnipeg's sludge beds and ash dumps located in West St. Paul: Incompatible land uses should not be imposed on municipalities.
- Agitated by land held by Winnipeg within West St. Paul (sludge beds and ash dumps); argues that Winnipeg classifies this land for "potential" development (e.g., as a golf course or park space) without real intentions for development so as to enjoy lower taxes on the property. We are being asked to grow in a contiguous fashion. However, at the same time one of our potential partners is ensuring that we have not grown in that fashion in the past or are not growing in that fashion in the present.
- Regarding land held by Winnipeg in West St. Paul: first marketed this land at residential-development value, then leased it to a farmer at (lower) agricultural value; why? Also, Winnipeg avoids paying full value of municipal taxes on the land it holds.
- Concerned that Winnipeg only pays grant-in-lieu of taxes on its infrastructure in neighbouring RMs which is only a fraction of assessed value. Also concerned with Springfield-Transcona school division issue.
- School division controversy: Springfield is a bedroom community, so kids should attend school where parents work and acquire other services.
- Springfield-Transcona industrial development controversy: Springfield is not to blame for poor land-use decisions in this area, as it had zoned land adjacent to Transcona for industrial use before the City of Winnipeg designated Transcona land for residential expansion: Residents purchasing these homes may well have a legitimate basis for complaint, however their frustra-

tion should not be directed at the Rural Municipality of Springfield, but at the City of Winnipeg, who were responsible for this most striking example of incompatible uses and the Province who allowed the development to take place on a contaminated brown field site.

- Some land around Birds Hill Park is suitable for rural residential development but this is not going ahead for political reasons; hence, the land is not being developed to its full potential.
- One must remember that it is this government who struck down the Springfield development plan and froze development around Birds Hill Park only to continue to accept requests for subdivision in this area knowing full well that council cannot accept or pass these applications. This government intrudes too far in seeking to regulate.
- Addresses Springfield-Transcona industrial development controversy. Notes emergency calls from peripheral industrial regions to City of Winnipeg: It appears that industry wants Winnipeg services for rural taxes. Submits several proposals for resolutions.
- Bought rural-type property in Winnipeg and used it for development of a bed and breakfast. Now anticipate industrial development in Springfield threatening the long-term viability of their business. Clear planning guidelines should be in place.
- The City of Winnipeg is responsible for the "North Transcona mess." There should be tighter environmental policing of industry throughout the region, e.g., Companies that are locating new operations should be required to post performance bonds so their land can be cleaned up when they leave. You should have an environmental assessment done and redone every five years.

Regional Identity and Related Development Issues

Many participants were sensitive to the term "rural" in describing their communities, which have both urban and rural characteristics. In addition, many participants were frustrated by generalizations that growth outside the City of Winnipeg is irresponsible, contributing to sprawl and urban decline. Others suggested that development outside the City is indeed harmful.

- When reference is made to 'Rural Municipalities,' that does not necessarily mean that we are associated with resources especially farmers. As a matter of fact, we probably only have four farmers who farm land in our municipality as their main source of their livelihood.
- Concerned with identification of the City of Winnipeg as the "dominant municipality;" this stirs frustration and impedes progress.
- We were both amused an concerned when a candidate for Mayor of Winnipeg said commuters should be taxed for causing urban sprawl. The fact that commuters, people with farms and other businesses, as well as those that work in the 15 municipalities spend a huge amount of their earnings in Winnipeg is lost on most Winnipeg citizens. And the City does not provide us with municipal roads, garbage pick-up, sewer and water. Living outside the perimeter is not less costly, e.g., farmers often pay higher school taxes.
- Tax levels do play a role in determining residence. Why tell us where to live? Why tell industry where to locate?
- People choose to live outside the City for lifestyle reasons. Both urban and rural identities should be promoted.

- Confronting stereotypes about irresponsible development in Springfield: the City of Winnipeg has had zoning and development authority over much of the land base until quite recently; more farmland has been lost to Birds Hill Park than to residential development; Springfield's growth rate is only about 96 people per annum; only a few more housing starts were issued in the municipality last year than were issued in 1962; media reports of development around Birds Hill Park have been exaggerated; Springfield does not rely on federal or provincial subsidy.
- Lifestyle is predominant reason for living outside of Winnipeg.
- We understand that sprawl is damaging. Others must understand that the RM of Macdonald is primarily agricultural and has been developed in a responsible manner. We suggest that urban sprawl, better known as peripheral development, has occurred within the boundaries of Winnipeg. The large-scale development of commercial areas such as what has occurred at the intersection of McGillvary Boulevard and Kenaston Boulevard has as much of a detrimental affect on our local businesses as it has to the downtown area of the city itself.
- Refutes suggestions of urban sprawl and low cost of country living. Living in the country is expensive, requiring a high degree of responsibility for property management; 90 per cent of disposable income is spent in the City of Winnipeg. Rural residents spend consumer dollars in Winnipeg but Winnipeg does not carry any expenses toward them.
- The RPAC report emphasizes large-lot residential character of RMs, but most of Headingley's development is urban-sized residential. Rural residential development consumes only a small portion of the land base. Headingley gets 54 per cent of is revenue from residential development, 20 per cent from commercial establishments, and only 8 per cent from agriculture. ILOs are not permitted in Headingley. We want to maintain our semi-urban, semi-rural lifestyle.
- My family spends 85 to 90 per cent of our disposable income in Winnipeg but does not drain its infrastructure of police, fire, or ambulance service. We only use roads. And if commuter parking lots were created I would use transit.
- We should not assume that residential development in rural areas necessarily returns more in revenues to RMs than it consumes in expenditures. Plus, such development takes productive agricultural land out of production. Letting people have the freedom they expect to live wherever they desire is not sustainable in rural areas. There is going to be a price to pay for that in the future.

General Principles

Although it falls outside the RPAC's terms of reference, several participants emphasized their anxiety toward annexation or any form of spatial expansion by Winnipeg into peripheral municipalities. Participants submitted a variety of guidelines for development in the region. A great deal of support was expressed for the principle of contiguous development.

- The boundaries of any municipal corporation should not be changed unless both municipal corporations are in favour of the change.
- Wants assurance that land contiguous to City zoned for suburban development will not be annexed. *The City of Winnipeg Act* should be brought into line with the *Municipal Act*. Preserving agricultural land is

important, but farmers under economic pressure will often go to municipalities to have their land rezoned for residential development. This has to be acknowledged and addressed.

- Any expansion of the Capital Region should not alter municipal boundaries nor should it control the communities in which it encompasses. Voluntary cooperation can address common concerns while municipalities retain their powers to serve the needs and type of community in which their citizens wish to live.
- How can we achieve equity in such a diverse region? Municipalities should be allowed to compete for residents. Does Winnipeg inhibit its own suburban development for the sake of its downtown?
- Concerned that the Additional Zone for the City of Winnipeg will be re-instated. Winnipeg should have the same governing legislation as the other municipalities.
- Businesses should not be forced to locate in the City of Winnipeg.
- Wants stronger provincial land-use policies. Service extension contributes to sprawl, so when residential or commercial development (other than development directly related to agriculture) occurs on the periphery of an existing city or town, that development should be annexed to that city or town at the time when services, such as sewage and water, are extended. Not all lifestyles can be justified; the RPAC discussion document fails to give a single account of positive rural development another than agriculture. Yes, flight to urban suburbs contributes to downtown decline, but only flight outside the City means loss of tax revenue–this must be addressed.
- Urban-rural distinctions must be maintained through strict PLUPs. Full-cost accounting should be the guiding principle for regional planning and development decisions.
- Support the idea of keeping urban facilities in urban areas, but recreational facilities must be available everywhere to keep our communities healthy.
- There should not be an inner-city bias for new development.
- If taxes were minimized on all fronts on all agricultural lands and buildings, it would make tax bases outside of Winnipeg roughly equal across municipal boundaries, and create a genuine atmosphere of supply and demand for services, fostering responsible growth.
- Principles of contiguous development must be enforced; must have consistency in application of funding levels for infrastructure among municipalities; responsible development should occur within existing vacant and serviced lands; there must be efficient rural development as well as efficient urban development: e.g., large lot development should not result in inefficient dispersal of scarce resources; Plan Winnipeg guidelines for rural development should be adopted as the standard; federal and provincial subsidies to RMs should not be used for irresponsible, large-lot residential development.
- Downtown decay is due to poor land-use planning decisions, not ex-urban growth. A comprehensive land-use plan for the entire region, with built-in community plans, is a must. Questions the need/suitability of large lot development for the region. Also argues: People, businesses, etc., should be given choices and allowed to make their decisions based on these choices and not some subsidy, incentive, less restrictive development parameter, toll gate at the perimeter or big stick.

- Suggests that a Sustainable Capital Region be the defining metaphor for regional development. Uses example of the Mountain Equipment Co-op building to indicate broader potential of sustainable technology.
- A regional plan must provide stronger guidelines for the designation of urban centres, RR and seasonal residential areas. The supply of RR lots should bear resemblance to demand. We should clearly delineate areas so RR residents know that they will be responsible for the costs associated with their living in an RR area, and services would be cheaper in urban areas. Conflicts occur where incompatible land uses are in proximity. Advocates the creation of "mutual separation distances" applying to ILOs, residential dwellings and other non-residential land uses.
- Thinking and acting in a regional manner cannot be done if we only have development in Winnipeg. Investigate why, previous to the 1971 amalgamation, the municipalities around Metro Winnipeg had cash surpluses, but after Unicity have become debt-ridden. Find out why the surrounding RMs are financially healthy and Winnipeg is not! Maybe smaller is better!
- Development within the City has the added benefit of not removing viable farmland.
- Winnipeg must recognize that high costs (taxes and levies) discourage development within its borders, causing developers to relocate elsewhere, often out of province.
- Charleswood lost many of its assets when it amalgamated with the City of Winnipeg. New amalgamations should not be on the table.
- Large residential lots should be supported as a legitimate land use. Support the notion that development should be directed to existing areas and especially to urban revitalization. Municipalities should have the right to designate their urban areas by themselves, not have such a definition imposed by the Province. New development must be contiguous.
- Concern with Winnipeg bias. It sounds like Winnipeg is entitled to more growth and other areas are not.

SECTION 2.5: AGRICULTURE

Restricting Incompatible Land Use and Promoting the Viability of Agriculture

Several participants emphasized the level of economic strain farmers are facing, which motivates many to redevelop their property as residential land. Most participants focused on the need to prevent incompatible development of land suitable for agriculture or land in proximity to agricultural operations.

- Municipal Councils are fully cognizant with land use policies and uphold that prime agricultural lands remain in agricultural state and only when required for development should be considered for development. However, the agricultural industry is suffering economically and on occasion, landowners will approach Council to redesignate agricultural land and rezone to residential development. This serious situation must be recognized.
- The farming community is in economic difficulty. We have houses on farmland now because many people who were farming have had to earn their living in Winnipeg. Many of my neighbours worked off their farms, and it has served the RM [Springfield] well and allowed it to prosper.
- Province should provide consistent policies throughout the municipalities so that all

producers can benefit from equitable planning. Keystone Agricultural Producers believes the points included under your discussion document are valid and should be incorporated into your policy plan. Especially concerned by "shadow effect" of residential development; farmers are good neighbours but must be able to go about their business without unreasonable local complaints (noise, smell, dust, etc.). Prime agricultural land should be restricted from incompatible development; development should be directed to non-productive land. Subdivisions should expand only after existing ones are filled. New residential areas should not be situated near intensive livestock operations (ILO), and vice versa. Local taxes on farmers should be kept low and incentive measures to discourage farmers from subdividing should be considered.

- Endorsement of rural residential development is in conflict with Policy 2.5 Agriculture. This policy seeks to protect agriculture from incompatible uses, such as residential development. We can't have it both ways. Residential development within the rural municipalities should be directed to the settlement centres.

- Taxes should be minimized on all fronts on agricultural land and buildings in the Capital Region and in fact in all of Manitoba.

- To protect productive agricultural land urban type development has to be kept compact and directed to existing urban areas.

- Support the RPAC in trying to protect farms from encroaching land use. Province needs to provide more consistent and rational intensive livestock operation standards and requirements. Existing ILOs close to urban centres or residential areas must be allowed to continue and be allowed to expand if mitigative measures can minimize nuisance. If rural residents don't allow agricultural activities to occur, they must be willing to pay higher taxes to maintain the services of the RM. If you clearly indicated that agricultural activities occur in rural areas, you should minimize conflicts.

- Prime agricultural land has been lost in the Capital Region in recent time. Development in Winnipeg would have taken less land out of production.

- Many farmers feel that their assessments are still too high. If the province is truly interested in helping farmers remain in business, the removal of school tax from property assessments would help an industry in crisis not to mention citizens on fixed incomes.

- The size of farming operations continues to increase with a corresponding decrease in the number of farmers, while the number of non-farmers is increasing through expansion of villages and rural residential urban transplants. How does the municipal tax input of farmers compare to non-farm input and are farmers' interests adequately represented in municipal programs?

- The role of municipal councils is to make good land-use decisions, not to bail-out farmers from economic hardship by allowing them to rezone for residential development.

Appendix Four

PLANNING SEMINARS

The Regional Planning Advisory Committee held two planning seminars, one on February 8, 2002 and one on April 3, 2002. The following people were invited to attend these seminars.

Hugh Arklie, *Thomas Sill Foundation*

Ed Arnold, *Selkirk and District Planning Area*

Curwood Ateah, *Landmark Planning & Design Inc*

Jim August, *The Forks North Portage Partnership*

Tom Ayres, *Headingley Headliner*

Jim Beaulieu, *Quasar Management Series*

Michael Bessey, *Price Waterhouse Coopers*

Tom Carter, *Institute Of Urban Studies*

David Chartrand, *Manitoba Metis Federation*

Lawrie Cherniack, *Lawyer*

Doug Clarke, Downtown Winnipeg BIZ

Raymond Currie, *Prairieaction Foundation*

Doug Davison, *Crocus Investment Fund*

Peter Diamant, *Manitoba Municipal Board*

Andrew Dickson, *Manitoba Food and Agriculture*

Ian Dickson

Terry Duguid, *Clean Environment Commission*

Don Epstein, *Epstein Associates*

Harry Finnegan, *City of Winnipeg*

Elizabeth Fleming, *Provincial Council of Women of Manitoba*

George Fraser, *Urban Development Institute*

Rick Frost, *Winnipeg Foundation*

Robert T. Gabor, *Aikins, MacAulay & Thorvaldson*

Nicholas Hirst, *Winnipeg Free Press*

Wayne Helgason, *Social Planning Council of Winnipeg*

John Hockman, *Consultant*

Peter Holle, *Frontier Centre for Public Policy*

Doug Holmes, *City of Winnipeg*

Doug Kalscics, *Intergovernmental Affairs*

Ken Klassen

Jerry Klein, *Urban Development Institute*

Nancy Klos, *University of Manitoba*

Sherman Kreiner, *Crocus Investment Fund*

Chris Leo, *University of Winnipeg*

Anne Lindsey, *Manitoba Eco-Network*

Scott Mackay, *Probe Research*

Jeff McCullough, *Winnipeg Real Estate Board*

Wayne Penner, *Royal LePage Prime*

Mary Richard, *Neeginan Development Corporation*

Harvey Secter, *University of Manitoba, Faculty of Law*

John Sinclair, *Natural Resource Institute, University of Manitoba*

Peter Squire, *Winnipeg Real Estate Board*

Anita Stenning, *CentreVenture*

Dick Stephens, *RAS Consulting*

Grand Chief Margaret Swan, *Southern Chiefs Organization, Inc.*

Harold Taylor, *Consultant*

Gerry Trottier, *Manitoba Home Builders Association*

David Van Vliet, *University of Manitoba*

Eric Vogan, *Urban Development Institute*

David Walker

Ian Wight, *University of Manitoba*

On October 19, 2001 the following Government of Manitoba representatives made presentations to the Regional Planning Advisory Committee.

Amar Chadha, *Director Transportation Systems Planning and Development, Manitoba Transportation and Government Services*

Roberta Coleman, *Transportation Planning Consultant, Manitoba Transportation and Government Services*

Dave Ediger, *Regional Director Environmental Operations, Manitoba Conservation*

Christine Kabernick, *Agricultural Land Use Planner, Manitoba Agriculture and Food*

Christine Kaszycki, *Assistant Deputy Minister, Manitoba Industry, Trade and Mines*

Lou-Ann Buhr, *Assistant Deputy Minister, Manitoba Culture, Heritage and Tourism*

Linda McFadyen, *Acting Assistant Deputy Minister, Manitoba Intergovernmental Affairs*

Ken McGill, *Manager, Soils and Crops Branch, Manitoba Agriculture and Food*

Hubert Mesman, *Executive Director, Tourism Initiatives, Manitoba Culture, Heritage and Tourism*

Don Norquay, *Assistant Deputy Minister, Manitoba Transportation and Government Services*

Barry Todd, *Assistant Deputy Minister, Manitoba Agriculture and Food*

Appendix Five

PLANNING FLOW CHARTS

The flow charts in this appendix outline the planning process under *The Planning Act* and *The City of Winnipeg Charter.*

Figure 1: Planning framework/Tools in Manitoba

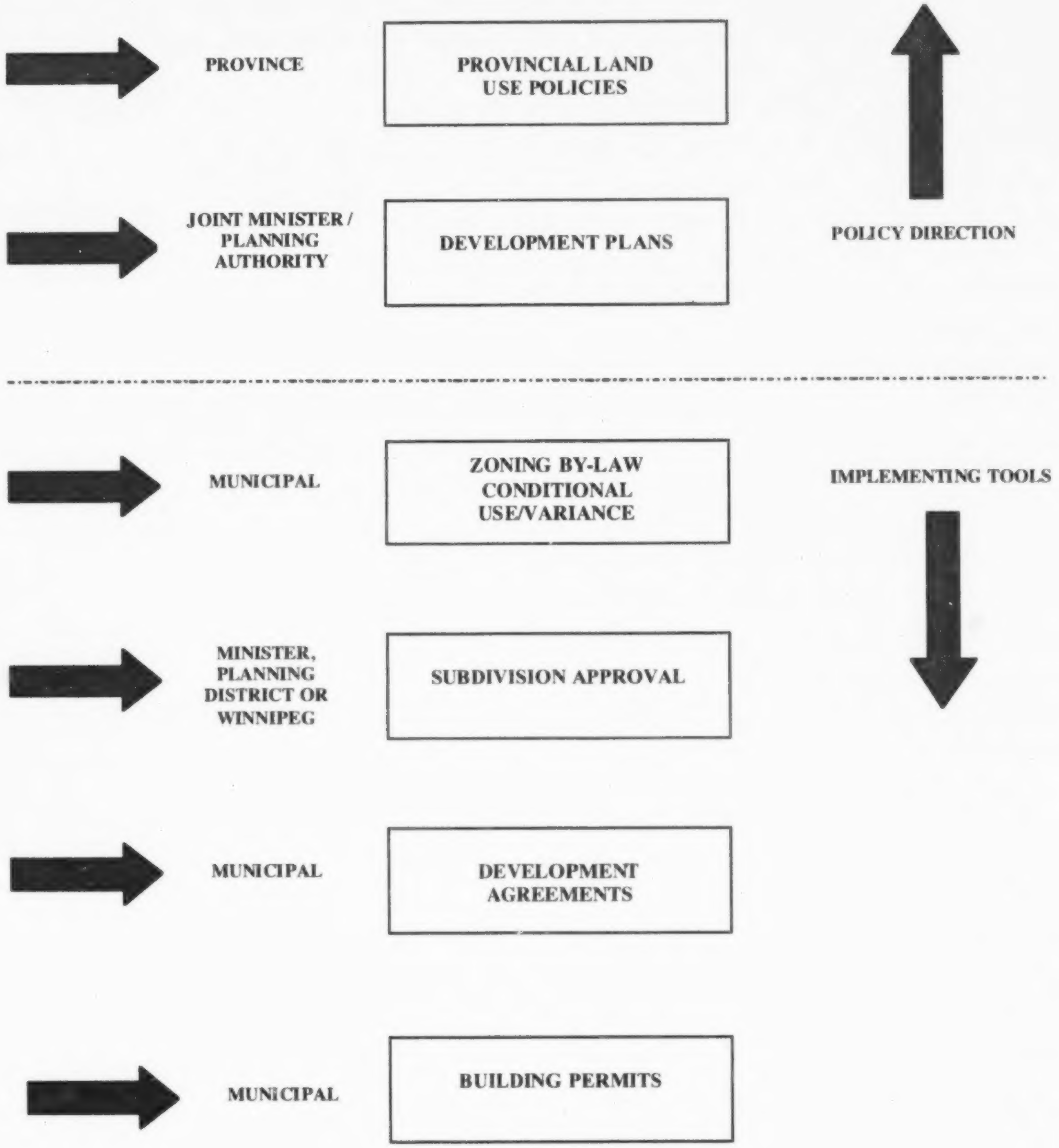
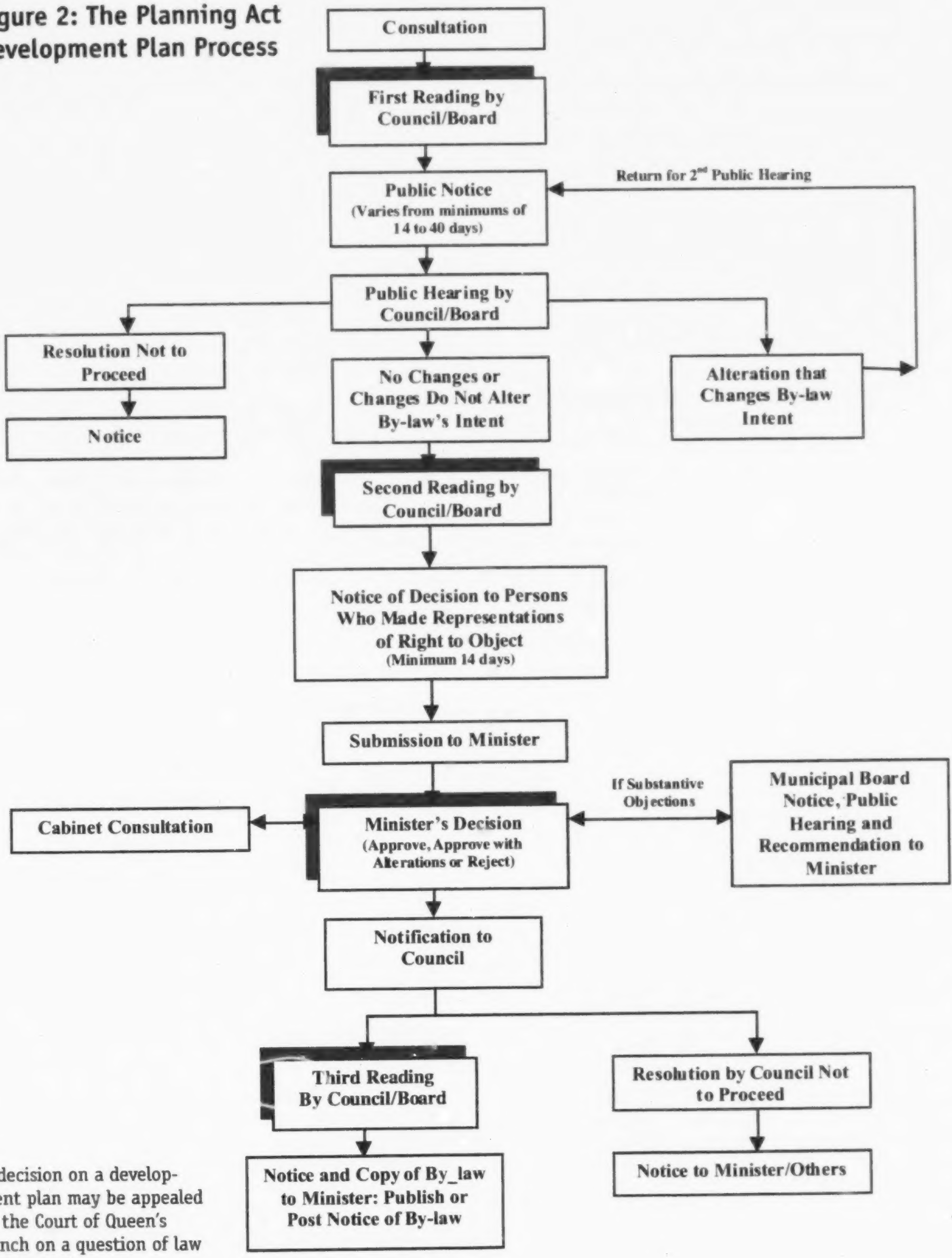
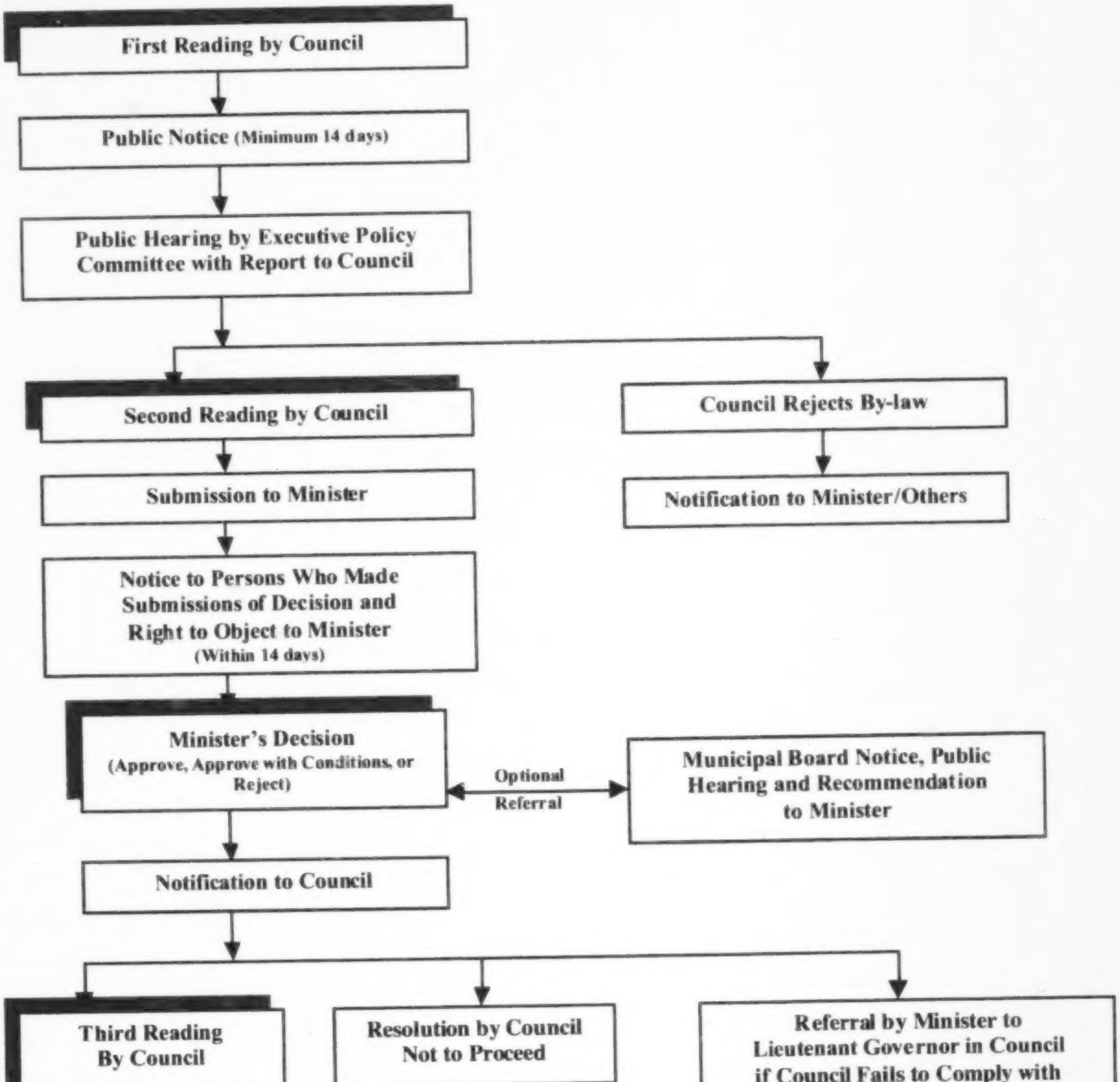

PROVINCE
PROVINCIAL LAND USE POLICIES
JOINT MINISTER / PLANNING AUTHORITY
DEVELOPMENT PLANS
POLICY DIRECTION
MUNICIPAL
ZONING BY-LAW CONDITIONAL USE/VARIANCE
IMPLEMENTING TOOLS
MINISTER, PLANNING DISTRICT OR WINNIPEG
SUBDIVISION APPROVAL
MUNICIPAL
DEVELOPMENT AGREEMENTS
MUNICIPAL
BUILDING PERMITS

Figure 2: The Planning Act Development Plan Process


Consultation
First Reading by Council/Board
Public Notice (Varies from minimums of 14 to 40 days)
Return for 2nd Public Hearing
Public Hearing by Council/Board
Resolution Not to Proceed
Notice
No Changes or Changes Do Not Alter By-law's Intent
Alteration that Changes By-law Intent
Second Reading by Council/Board
Notice of Decision to Persons Who Made Representations of Right to Object (Minimum 14 days)
Submission to Minister
Cabinet Consultation
Minister's Decision (Approve, Approve with Alterations or Reject)
If Substantive Objections
Municipal Board Notice, Public Hearing and Recommendation to Minister
Notification to Council
Third Reading By Council/Board
Resolution by Council Not to Proceed
Notice and Copy of By_law to Minister: Publish or Post Notice of By-law
Notice to Minister/Others

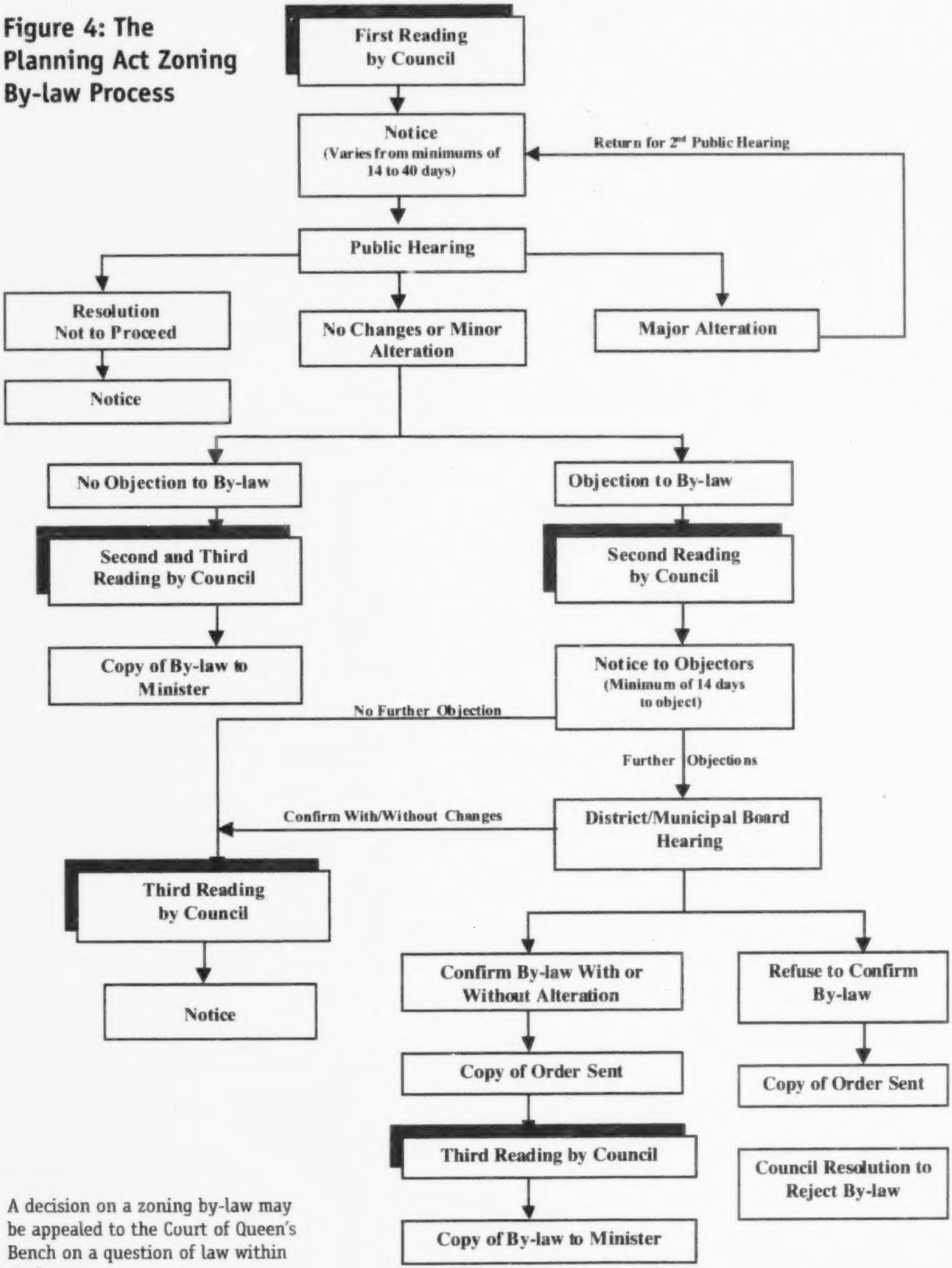
A decision on a development plan may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 3: The City of Winnipeg Charter Development Plan Process


First Reading by Council
Public Notice (Minimum 14 days)
Public Hearing by Executive Policy Committee with Report to Council
Second Reading by Council
Council Rejects By-law
Submission to Minister
Notification to Minister/Others
Notice to Persons Who Made Submissions of Decision and Right to Object to Minister (Within 14 days)
Minister's Decision (Approve, Approve with Conditions, or Reject)
Optional Referral
Municipal Board Notice, Public Hearing and Recommendation to Minister
Notification to Council
Third Reading By Council
Resolution by Council Not to Proceed
Referral by Minister to Lieutenant Governor in Council if Council Fails to Comply with Condition of Approval
Copy of By-law to Minister/Public Notice of By-law
Lieutenant Governor in Council Decision

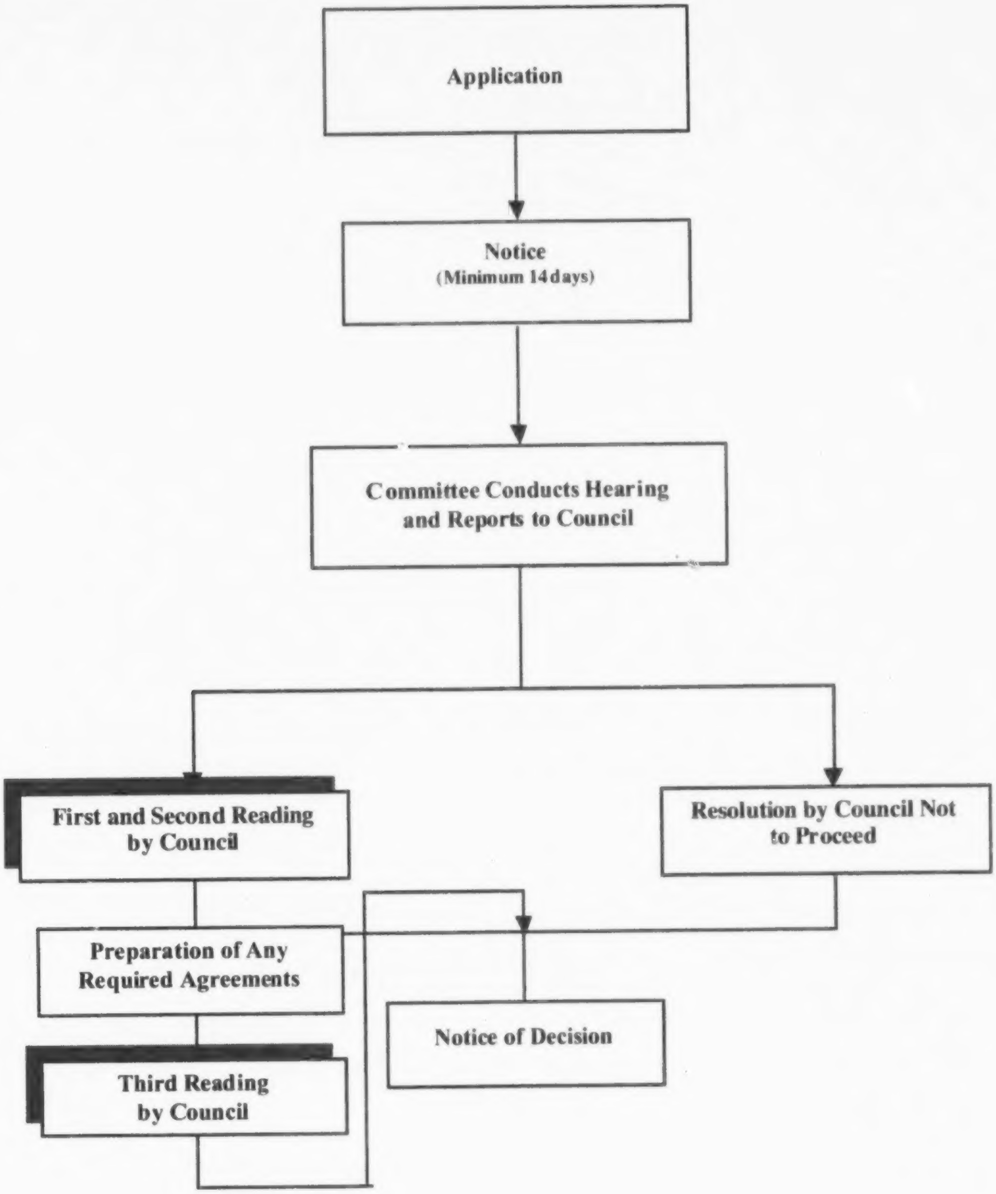
A decision on a Plan Winnipeg by-law may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 4: The Planning Act Zoning By-law Process


First Reading by Council
Notice (Varies from minimums of 14 to 40 days)
Return for 2nd Public Hearing
Public Hearing
Resolution Not to Proceed
Notice
No Changes or Minor Alteration
Major Alteration
No Objection to By-law
Second and Third Reading by Council
Copy of By-law to Minister
Objection to By-law
Second Reading by Council
Notice to Objectors (Minimum of 14 days to object)
No Further Objection
Further Objections
District/Municipal Board Hearing
Confirm With/Without Changes
Third Reading by Council
Notice
Confirm By-law With or Without Alteration
Copy of Order Sent
Third Reading by Council
Copy of By-law to Minister
Refuse to Confirm By-law
Copy of Order Sent
Council Resolution to Reject By-law

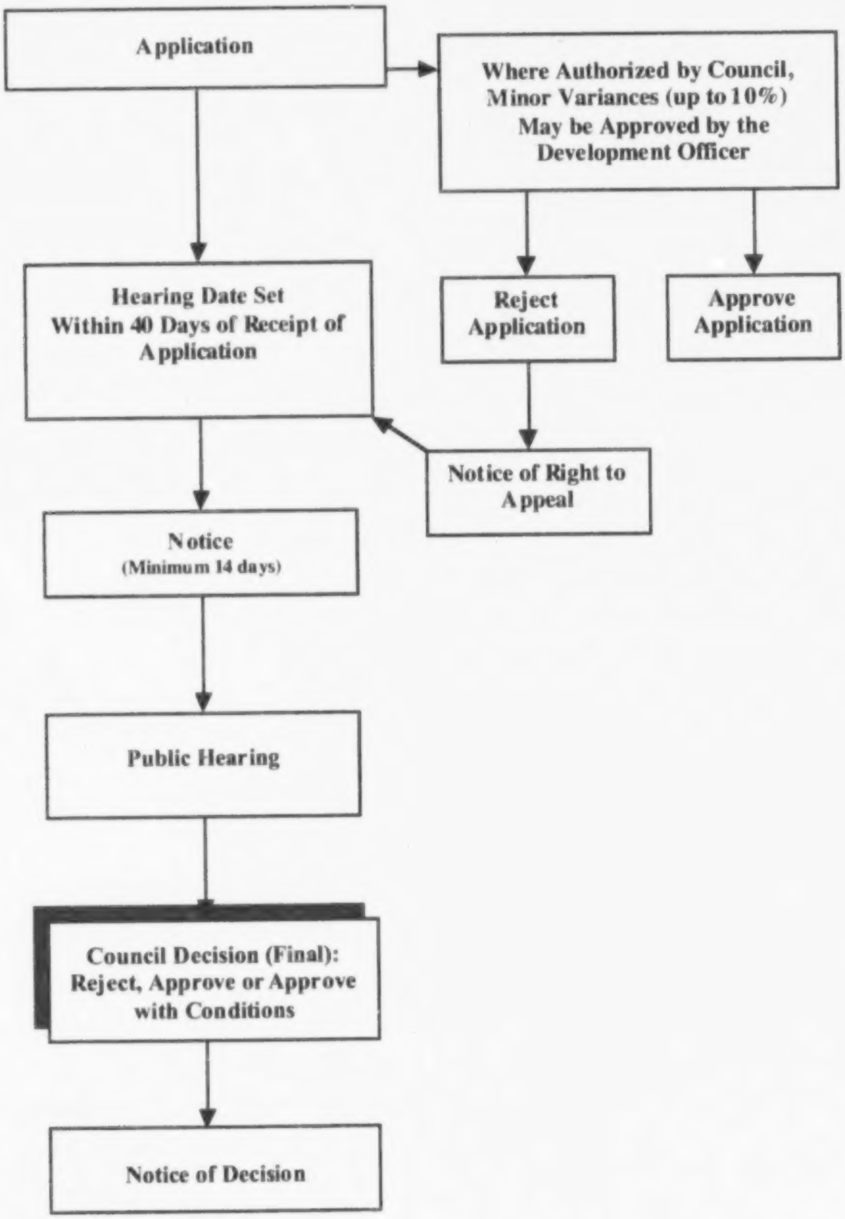
A decision on a zoning by-law may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 5: The City of Winnipeg Charter Zoning By-law Process


Application
Notice
(Minimum 14 days)
Committee Conducts Hearing and Reports to Council
First and Second Reading by Council
Resolution by Council Not to Proceed
Preparation of Any Required Agreements
Notice of Decision
Third Reading by Council

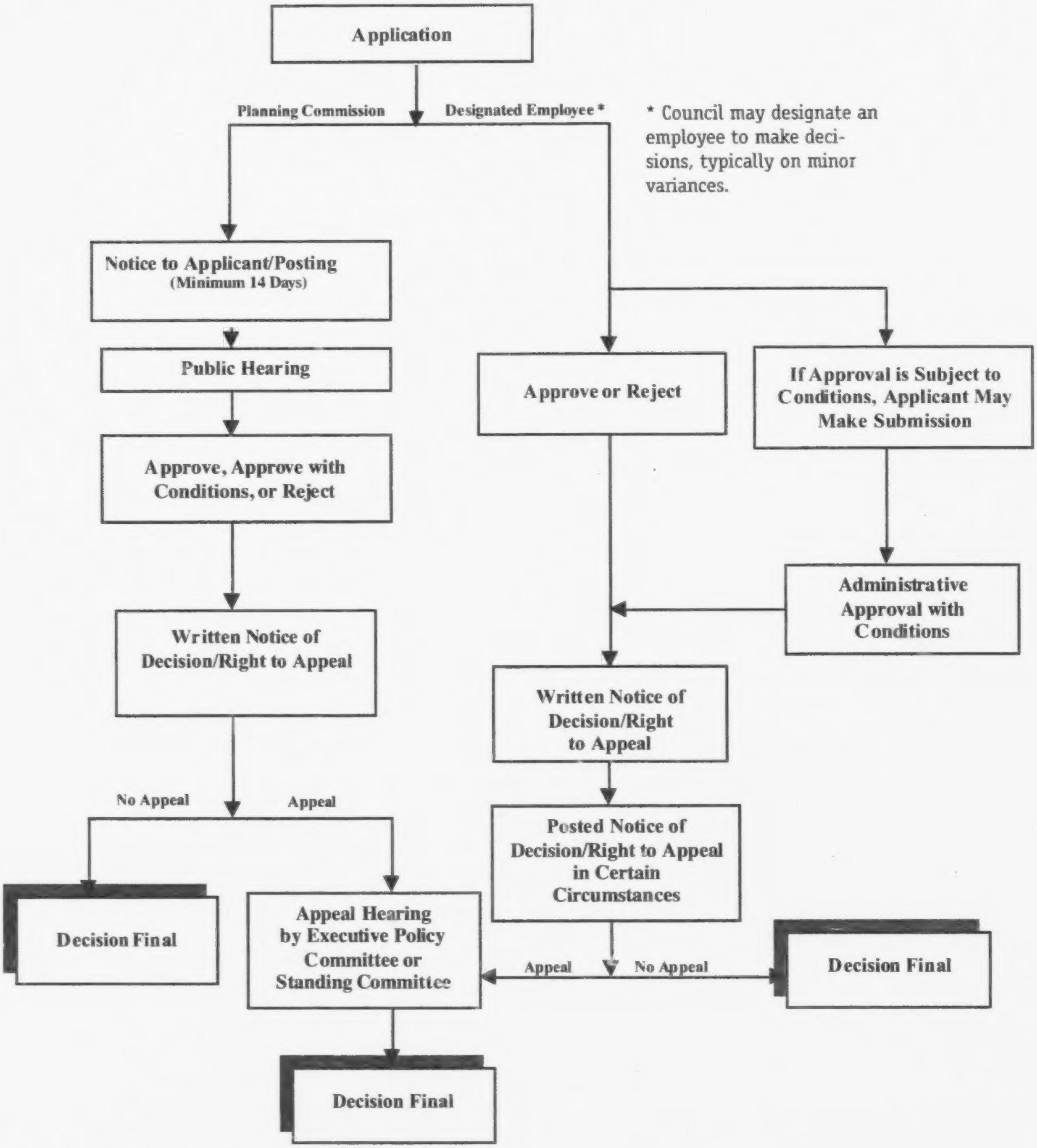
A decision on a zoning by-law may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 6: The Planning Act Variance Process


Application
Where Authorized by Council, Minor Variances (up to 10%) May be Approved by the Development Officer
Hearing Date Set Within 40 Days of Receipt of Application
Reject Application
Approve Application
Notice of Right to Appeal
Notice (Minimum 14 days)
Public Hearing
Council Decision (Final): Reject, Approve or Approve with Conditions
Notice of Decision

A decision on a variance may be appealed to the Court of Queen's Bench on a question of law within 30 days.

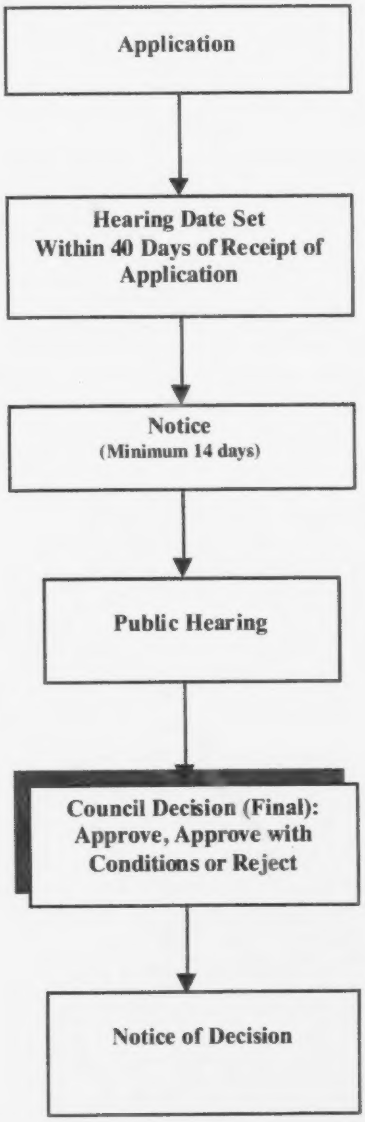
Figure 7: The City of Winnipeg Charter Variance Process


Application
Planning Commission
Designated Employee *
Notice to Applicant/Posting (Minimum 14 Days)
Public Hearing
Approve, Approve with Conditions, or Reject
Written Notice of Decision/Right to Appeal
No Appeal
Appeal
Decision Final
Appeal Hearing by Executive Policy Committee or Standing Committee
Decision Final
Approve or Reject
If Approval is Subject to Conditions, Applicant May Make Submission
Administrative Approval with Conditions
Written Notice of Decision/Right to Appeal
Posted Notice of Decision/Right to Appeal in Certain Circumstances
Appeal
No Appeal
Decision Final

* Council may designate an employee to make decisions, typically on minor variances.

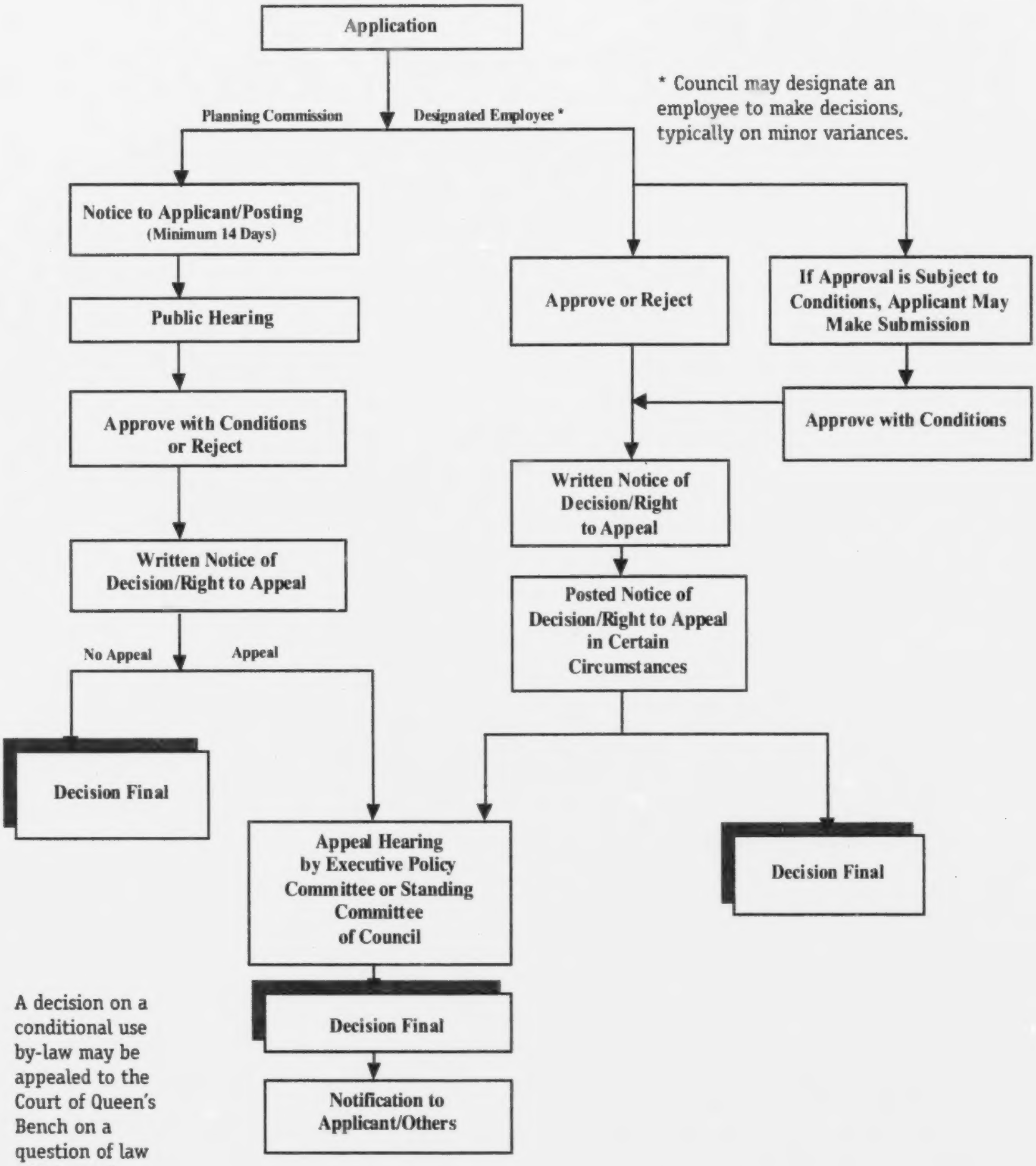
A decision on a variance may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 8: The Planning Act Conditional Use Process (Non-livestock operation)


Application
Hearing Date Set Within 40 Days of Receipt of Application
Notice (Minimum 14 days)
Public Hearing
Council Decision (Final): Approve, Approve with Conditions or Reject
Notice of Decision

A decision on a conditional use by-law may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 9: The City of Winnipeg Charter Conditional Use Process

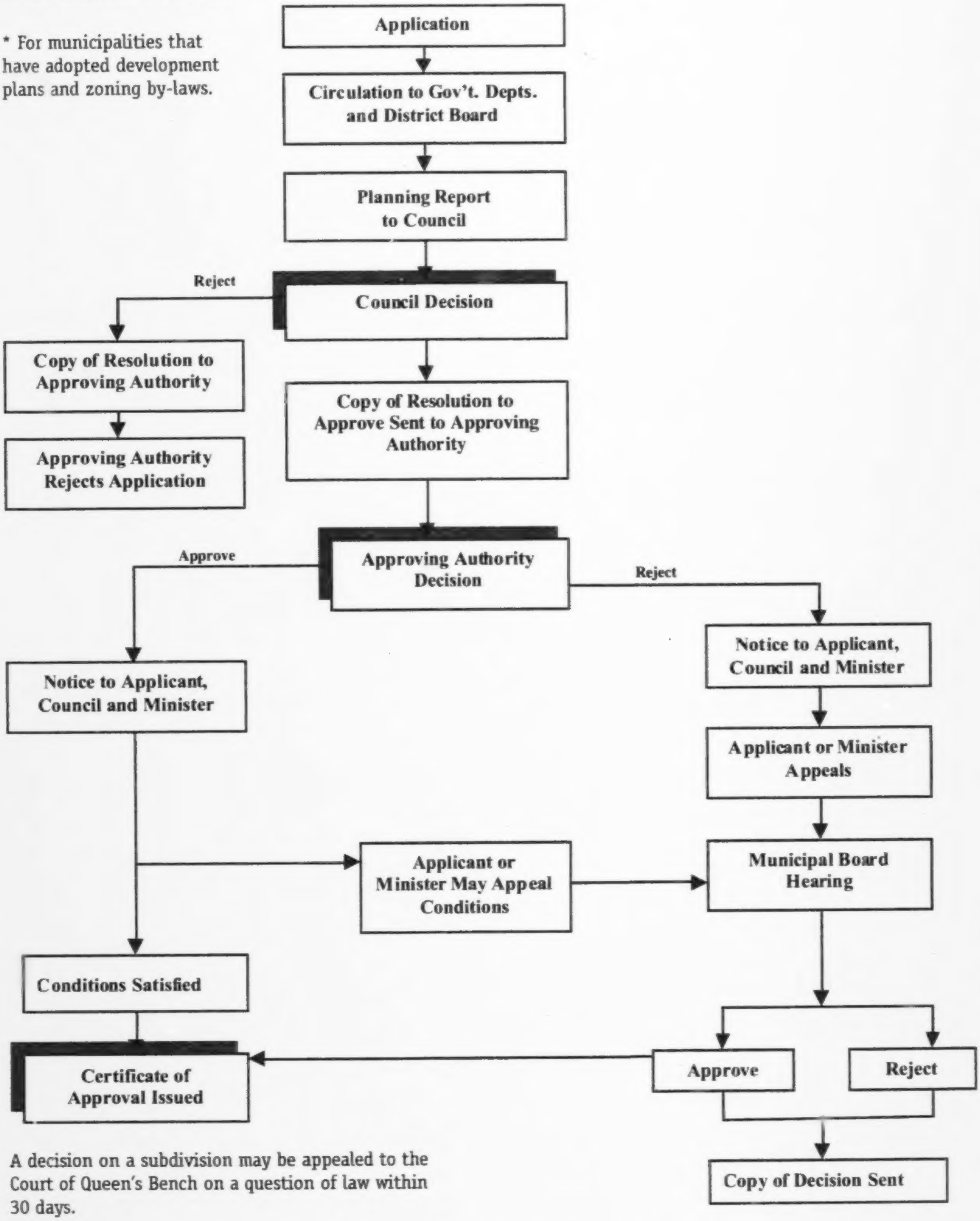

Application
Planning Commission
Designated Employee *
Notice to Applicant/Posting (Minimum 14 Days)
Public Hearing
Approve with Conditions or Reject
Written Notice of Decision/Right to Appeal
No Appeal
Appeal
Decision Final
Approve or Reject
If Approval is Subject to Conditions, Applicant May Make Submission
Approve with Conditions
Written Notice of Decision/Right to Appeal
Posted Notice of Decision/Right to Appeal in Certain Circumstances
Appeal Hearing by Executive Policy Committee or Standing Committee of Council
Decision Final
Decision Final
Notification to Applicant/Others

* Council may designate an employee to make decisions, typically on minor variances.

A decision on a conditional use by-law may be appealed to the Court of Queen's Bench on a question of law within 30 days.

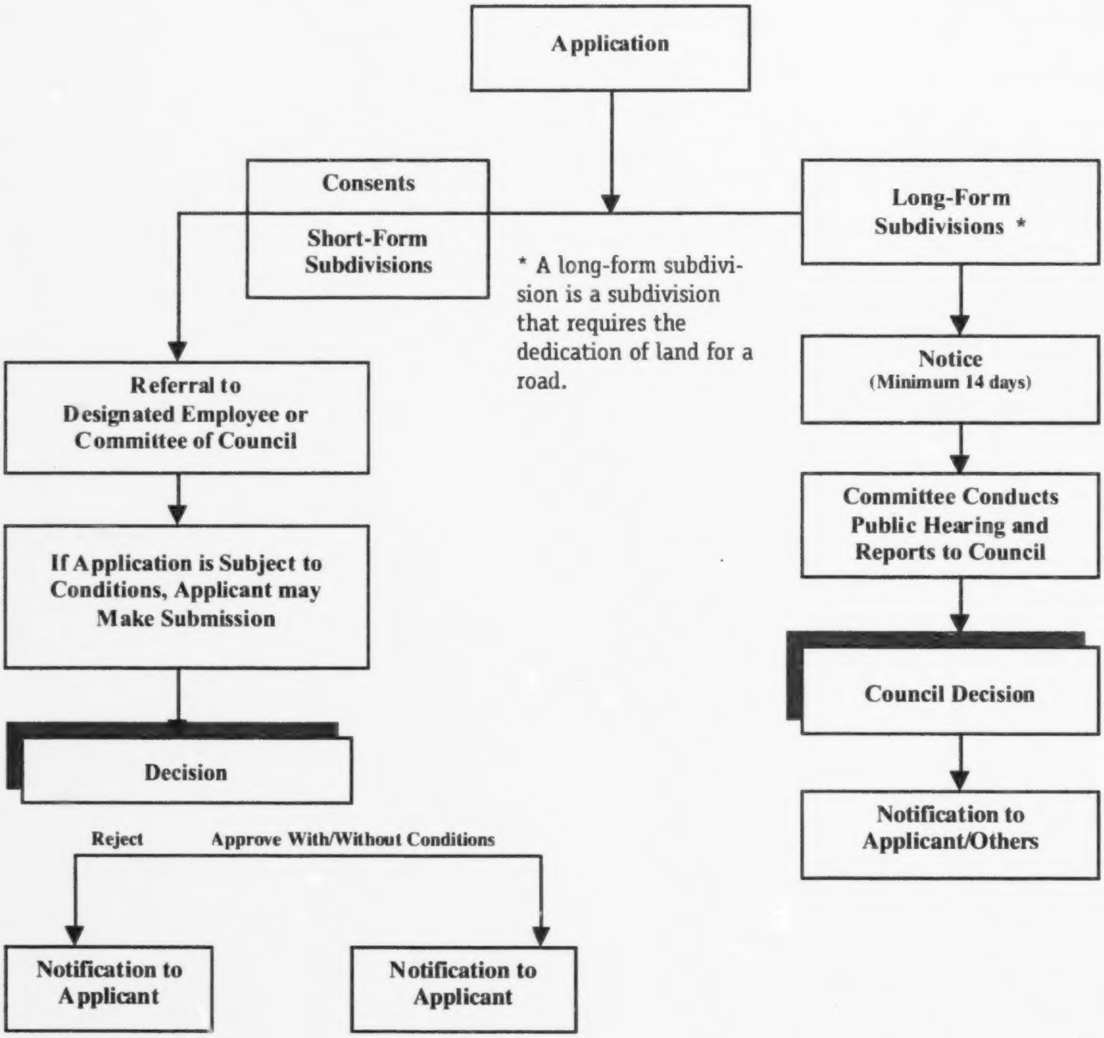
Figure 10: The Planning Act Subdivision Process*

* For municipalities that have adopted development plans and zoning by-laws.


Application
Circulation to Gov't. Depts. and District Board
Planning Report to Council
Council Decision
Reject
Copy of Resolution to Approving Authority
Approving Authority Rejects Application
Copy of Resolution to Approve Sent to Approving Authority
Approving Authority Decision
Approve
Reject
Notice to Applicant, Council and Minister
Notice to Applicant, Council and Minister
Applicant or Minister Appeals
Applicant or Minister May Appeal Conditions
Municipal Board Hearing
Conditions Satisfied
Certificate of Approval Issued
Approve
Reject
Copy of Decision Sent

A decision on a subdivision may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Figure 11: The City of Winnipeg Charter Subdivision Process


Application
Consents
Short-Form Subdivisions
Long-Form Subdivisions *
Referral to Designated Employee or Committee of Council
If Application is Subject to Conditions, Applicant may Make Submission
Decision
Reject
Approve With/Without Conditions
Notification to Applicant
Notification to Applicant
Notice (Minimum 14 days)
Committee Conducts Public Hearing and Reports to Council
Council Decision
Notification to Applicant/Others

* A long-form subdivision is a subdivision that requires the dedication of land for a road.

A decision on a subdivision may be appealed to the Court of Queen's Bench on a question of law within 30 days.

Appendix Six

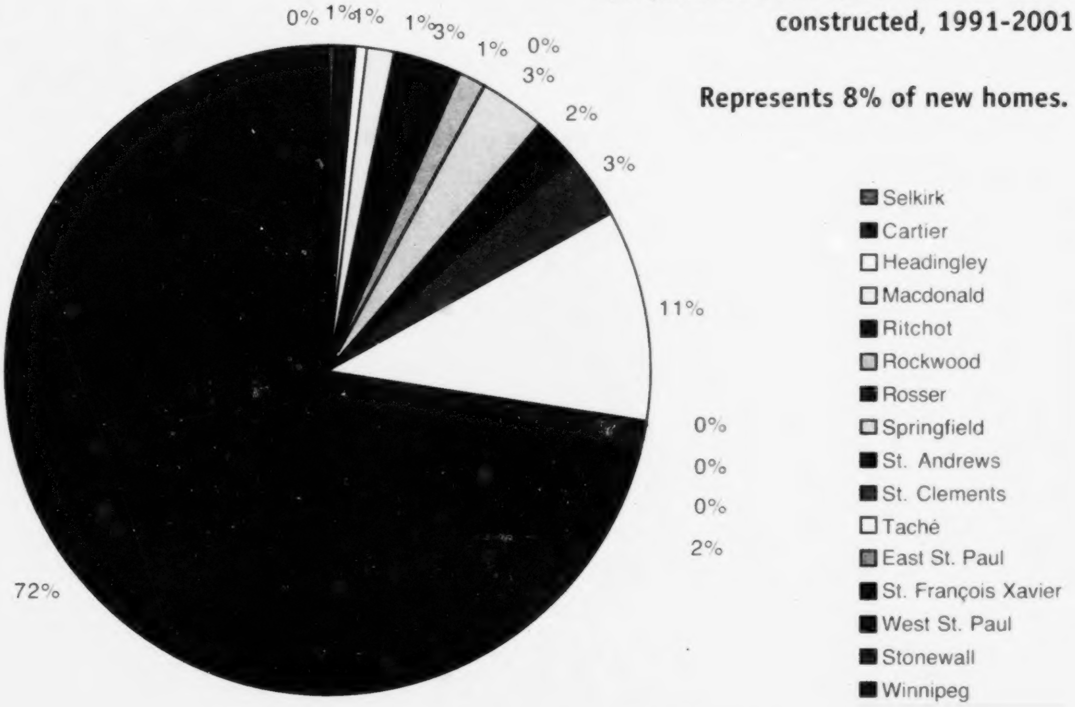
New Homes Constructed in the Capital Region 1991-2001

Municipality	<$99,999	$100,000 -149,999	$150,000 -199,999	$200,000 -249,999	$250,000 -299,999	$300,000+	Total Homes
Selkirk	18	46	39	9			112
Cartier	18	32	25	10	7	2	89
Headingley	13	17	36	48	24	18	149
Macdonald	6	146	231	55	9	6	462
Ritchot	38	125	52	15		3	233
Rockwood	17	83	53	21	6		180
Rosser	1	13	8	2	1		25
Springfield	39	340	202	59	16	6	662
St. Andrews	25	169	246	83	19	6	548
St. Clements	38	204	189	70	12	7	520
Taché	120	322	68	14	2	2	528
East St. Paul	1	26	177	234	119	135	692
St. François Xavier	1	39	20	4			65
West St. Paul	2	61	142	17	9	4	235
Stonewall	18	227	101	1			347
Winnipeg	816	4,500	3,150	579	240	242	9,527
Total homes by price	1,168	6,350	4,739	1;221	464	432	14,374
% of total homes by price	8%	44%	33%	8%	3%	3%	
Winnipeg's per cent by price	70%	71%	66%	47%	52%	56%	66%

Sources: Manitoba Intergovernmental Affairs Assessment Branch, City of Winnipeg Assessment Department. 2002 roll values (1999 level of value) for tax class 10 (single family detached). Land values included. Mobile homes, cottages, condominiums excluded.

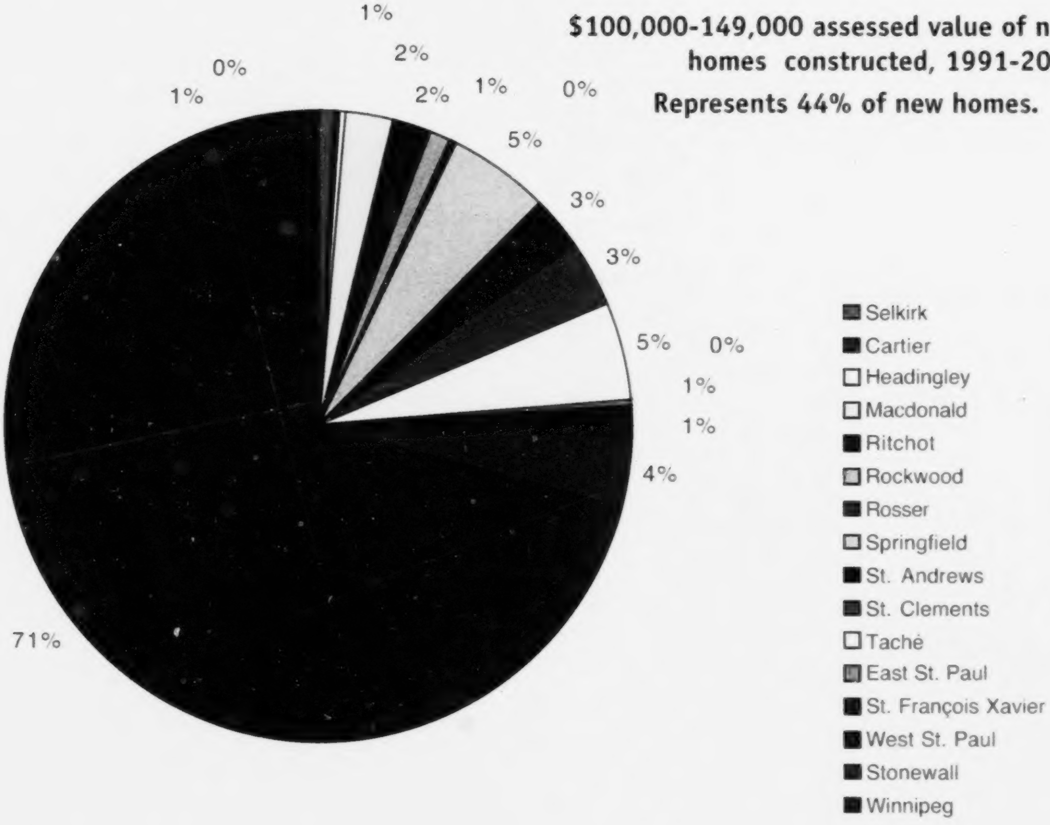
<$99,999 assessed value of new homes constructed, 1991-2001

Represents 8% of new homes.



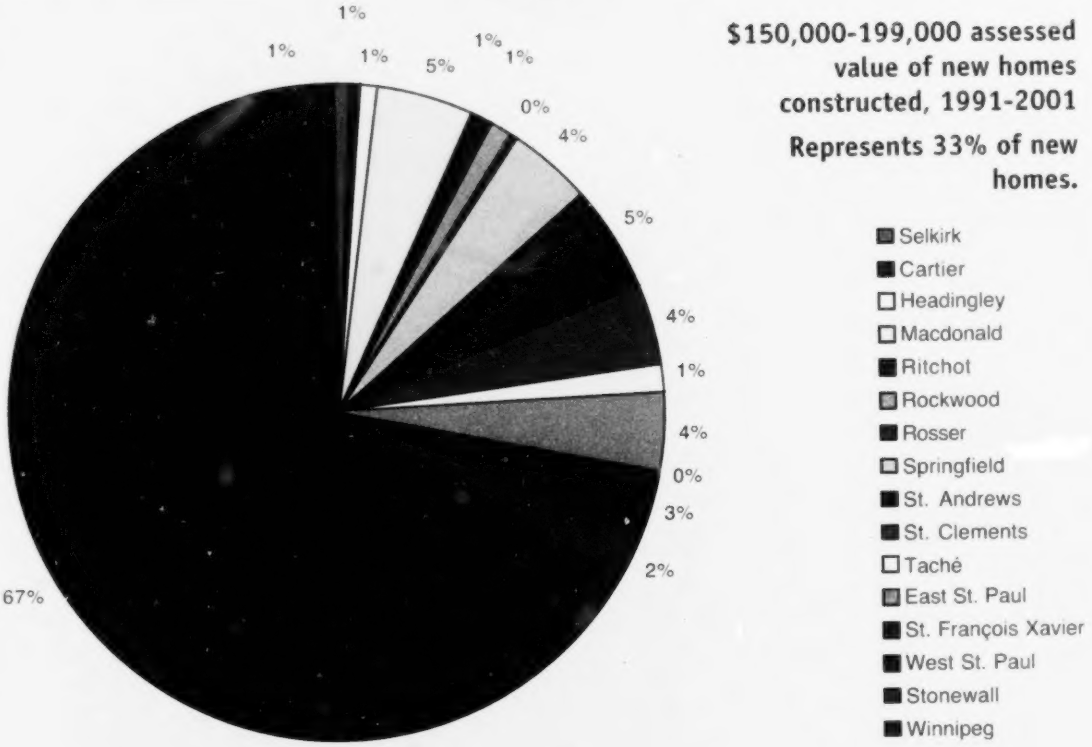
$100,000-149,000 assessed value of new homes constructed, 1991-2001

Represents 44% of new homes.



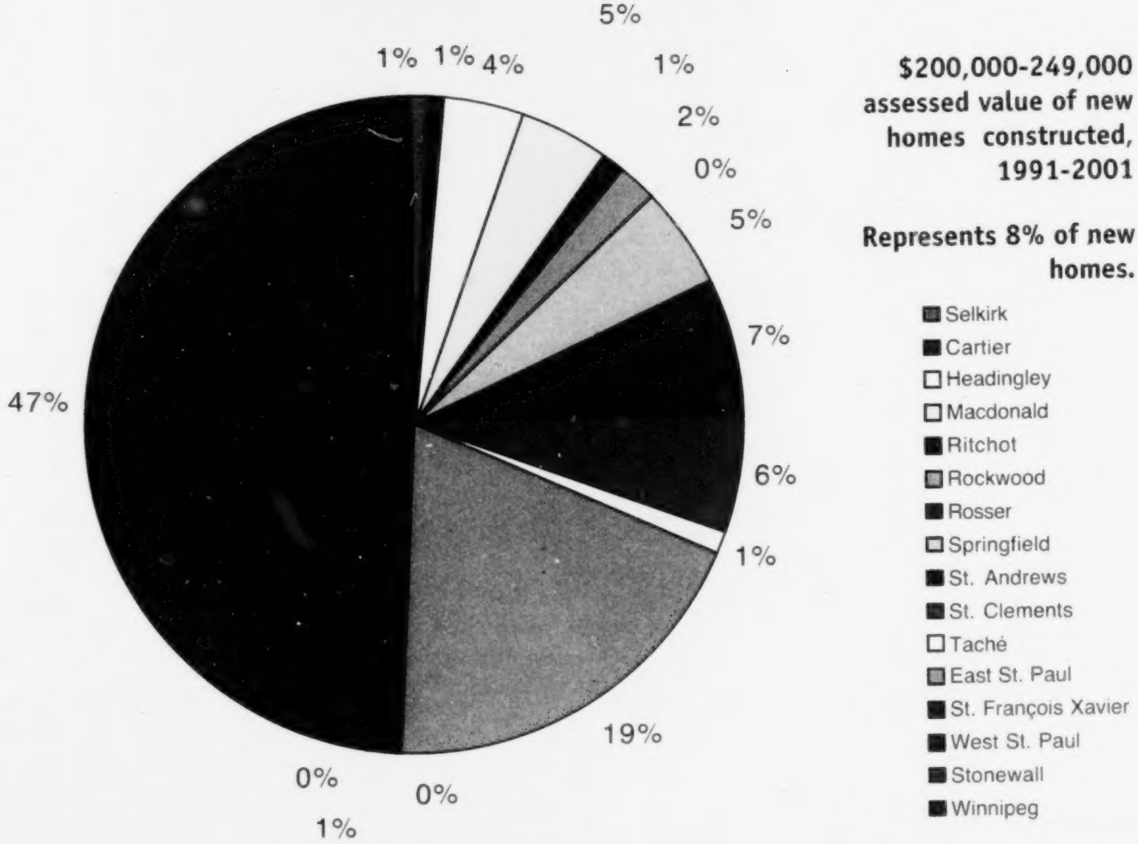
$150,000-199,000 assessed value of new homes constructed, 1991-2001

Represents 33% of new homes.



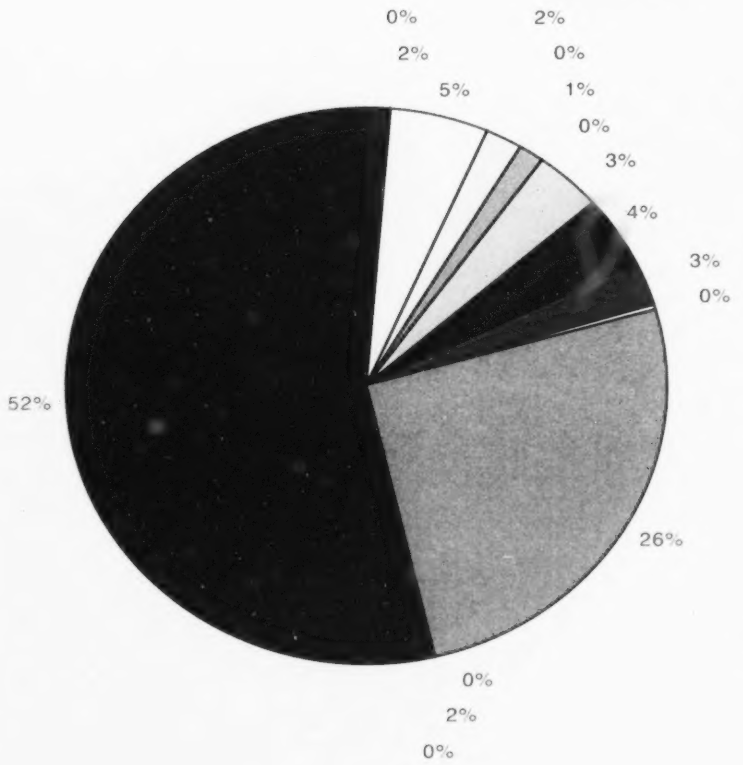
$200,000-249,000 assessed value of new homes constructed, 1991-2001

Represents 8% of new homes.



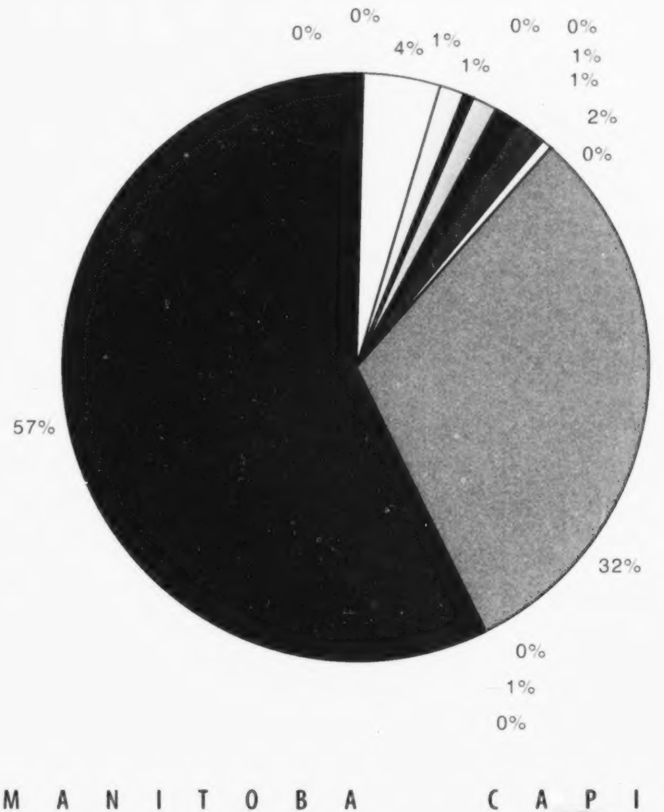
$250,000-299,000 assessed value of new homes constructed, 1991-2001

Represents 3% of new homes.



$300,000 and greater assessed value of new homes constructed, 1991-2001

Represents 3% of new homes.



Appendix Seven

CAPITAL REGION POPULATION TRENDS

	1981 Census	1986 Census			1991 Census			1996 Census			2001 Census			1991-2001		1981-2001	
Municipality	Population	Population	Growth since 1981	% Growth since 1981	Population	Growth since 1986	% Growth since 1986	Population	Growth since 1991	% Growth since 1991	Population	Growth since 1996	% Growth since 1996	Population Growth	% Growth	Population Growth	% Growth
Cartier	2,825	2,964	139	4.9	3,115	151	5.1	3,009	-106	-3.4	3,120	111	3.7	5	0.2	295	10.4
East St. Paul	3,596	4,385	789	21.9	5,820	1,435	32.7	6,437	617	10.6	7,677	1,240	19.3	1,857	31.9	4,081	113.5
Headingley*	N/A	N/A	N/A	N/A	1,575	N/A	N/A	1,587	12	0.8	1,907	320	20.2	332	21.1	N/A	N/A
Macdonald	3,403	3,583	180	5.3	3,999	416	11.6	4,900	901	22.5	5,320	420	8.6	1,321	33.0	1,917	56.3
Ritchot	4,262	4,588	326	7.7	5,146	558	12.2	5,364	218	4.2	4,958	-406	-7.6	-188	-3.7	696	16.3
Rockwood	6,321	6,923	602	9.5	6,990	67	1.0	7,504	514	7.4	7,654	150	2.0	664	9.5	1,333	21.1
Rosser	1,326	1,300	-26	-2.0	1,364	64	4.9	1,349	-15	-1.1	1,412	63	4.7	48	3.5	86	6.5
Selkirk	10,037	10,013	-24	-0.2	9,815	-198	-2.0	9,881	66	0.7	9,752	-129	-1.3	-63	-0.6	-285	-2.8
Springfield	8,989	9,836	847	9.4	11,102	1,266	12.9	12,162	1,060	9.6	12,602	440	3.6	1,500	13.5	3,613	40.2
St. Andrews	7,990	8,755	765	9.6	9,471	716	8.2	10,144	673	7.1	10,695	551	5.4	1,224	12.9	2,705	33.9
St. Clements	6,294	6,922	628	10.0	7,823	901	13	8,516	693	8.9	9,115	599	7.0	1,292	16.5	2,821	44.8
St. François Xavier	780	827	47	6.0	898	71	8.6	992	94	10.5	1,024	32	3.2	126	1.4	244	31.3
Stonewall	2,217	2,349	132	6.0	2,997	648	27.6	3,689	692	23.1	4,012	323	8.8	1,015	33.9	1,795	81.0
Taché	5,893	6,679	786	13.3	7,576	897	13.4	8,273	697	9.2	8,578	305	3.7	1,002	13.2	2,685	45.6
West St. Paul	2,745	3,138	393	14.3	3,658	520	16.6	3,720	62	1.7	4,085	365	9.8	427	11.7	1,340	48.8
Capital Region Outside Winnipeg	**66,678**	**72,262**	**5,584**	**8.4**	**81,349**	**7,512**	**10.4**	**87,527**	**6,178**	**7.6**	**91,911**	**4,384**	**5.0**	**10,562**	**13.0**	**25,233**	**37.8**
Winnipeg	564,473	594,551	30,068	5.3	615,215	20,664	3.5	618,477	3,262	0.5	619,544	1,067	0.2	4,329	0.7	55,071	9.8
Winnipeg's % of Capital Region	89.4%	89.2%			88.3%			87.6%			87.1%						
Total Capital Region Population	631,151	666,813	35,662	5.7	696,564	28,176	4.2	706,004	9,440	1.4	711,455	5,451	0.8	14,891	2.1	80,304	12.7

* Headingley did not become a separate municipality until 1992.

Appendix Eight

GLOSSARY

Association of Rural Municipalities of Winnipeg (ARM): An association of municipalities which bordered on Winnipeg and at one time had some or all of their lands under the planning control of the City (known as the Winnipeg Additional Zone). While the Additional Zone was abolished in 1991, these municipalities still meet regularly.

Brownfields: A phrase first used in the USA in connection with abandoned, idled or underused industrial and commercial facilities, where redevelopment was complicated by potential environmental contaminants. Brownfields were typically situated in or near urban centres and include abandoned factories, gas stations, oil storage and refining facilities, chemical storage and manufacturing, dry cleaners and other businesses that dealt with potentially polluting or dangerous substances. Over time, the term has evolved, so that it now is often used to also include any formerly built areas which are now abandoned or vacant, usually in or near the inner city of urban centres.

Capital Region: A geographical area currently defined by the provincial government as including sixteen municipalities including the Rural Municipalities of Cartier, East St. Paul, Headingley, Macdonald, Ritchot, Rockwood, Rosser, St. Andrews, St. Clements, St. François Xavier, Springfield, Taché, and West St. Paul, the Town of Stonewall, and the Cities of Selkirk and Winnipeg.

Capital Region Committee: Formed in 1989, it includes the mayors and reeves of the sixteen Capital Region municipalities and the Ministers of Intergovernmental Affairs and Conservation.

Capital Region Review Panel: An independent panel appointed by the provincial government in 1998 to look into and make recommendations on Capital Region issues. It presented its final report in December 1999.

City of Winnipeg Charter (2003): A provincial statute that outlines the operating rules for the City of Winnipeg.

COSDI (Consultation on Sustainable Development Implementation): Launched by the provincial government in 1997, it was a multi-stakeholder initiative to consider and make recommendations to government on how Manitoba should best implement Sustainable Development Principles and Guidelines into decision-making. The final report was submitted to the government in June of 1999.

Development Plans: Development Plans (and their implementing zoning by-laws, along with building by-laws) provide the basic land development rules by which municipalities, developers and the public operate. Development plans are adopted as by-laws by municipalities and planning districts under *The Planning Act* in all of Manitoba except the City of Winnipeg. The City of Winnipeg's development plan (*Plan Winnipeg*) is adopted under *The City of Winnipeg Charter*. The provincial government must approve all Development Plans. All 16 municipalities in the Capital Region, including the City of Winnipeg, have development plans in place. Under current legislation, all development plans are subject to review every five years. Local authorities also amend their development plans from time to time, and all such amendments also require provincial approval.

Greenfields: Open lands such as farmlands, wooded lands, fields and the like, located around or in urban centres. When originally coined, the phrase was meant to be used in association with "brownfields", and meant that they were generally considered safe (from an environmental perspective) to develop. However, like the word "brownfields", greenfields is a now a term often used to mean any open "undeveloped" area in or near urban centres which could potentially be developed for urban uses.

Mayors and Reeves of the Capital Region: An association formed in 1999 and made up of the reeves and mayors of the Capital Region, with no provincial government involvement.

***Municipal Act*:** *The Municipal Act* is the Provincial statute that governs most municipal matters (outside of the City of Winnipeg).

Municipalities: There are currently 199 incorporated municipalities in Manitoba. They include Cities, Towns, Villages, Rural Municipalities and Local Government Districts. The operating rules for municipalities are primarily contained in *The Municipal Act* except for the City of Winnipeg, which is governed under *The City of Winnipeg Charter*. There are three types of municipality in the current Capital Region: Cities (of which there are two, Selkirk and Winnipeg), Towns (of which there is one, Stonewall), and Rural Municipalities of which there are 13. The generic term municipality is often used to include any of these three types of local jurisdictions. Rural Municipalities are often referred to as RMs. Within the RMs there are a number of unincorporated villages or hamlets.

Planning Districts: Planning districts are formed according to provisions in *The Planning Act*. They are formed when two or more neighbouring municipalities voluntarily decide to come together for planning purposes. There are currently 43 incorporated planning districts in Manitoba, three of which (involving ten municipalities) are in the Capital Region. Planning districts are operated by a planning district board, made up of elected councilors, mayors and reeves of the member municipalities. They usually meet about once a month and the board normally consists of about 6 - 12 members. The primary functions of a planning district are to:

- adopt and administer a development plan for its entire district,
- administer the zoning and building by-laws of the municipalities in the district (this usually means hiring a development officer, building inspector(s), and sometimes planners), and
- take on the approving authority function for subdivisions if thought to be practical.

***The Planning Act*:** A provincial statute which outlines the land development or land planning rules for the Province, municipalities, developers and the public (except for the City of Winnipeg which is under different legislation-*The City of Winnipeg Charter*). As a regulation under *The Planning Act*, the Province adopted and applies The Provincial Land Use Policies. This Act also gives municipalities authority to form into planning districts, adopt and administer development plans and zoning by-laws. Under this statute the provincial government has adopted subdivision regulations.

Prime Agricultural Land: Land which is suitable for growing almost all crops that the climate will allow. Generally, Classes 1, 2 and 3 land under the Canada Land Inventory for Agricultural Capability are considered prime agricultural land. °Much of the land in the Capital Region is considered prime agricultural land.

Provincial Land Use Policies (PLUPs): Land use polices that were adopted as a regulation under *The Planning Act* in 1980 and extensively revised in 1994. They apply to all of Manitoba except the City of Winnipeg. The policies are used to review municipal and planning district development plans.

Regional Planning Advisory Committee (RPAC) for the Capital Region: Appointed in September 2001 by the provincial government to undertake public consultation and advise the Province on drafting a Capital Region Policy Plan.

Rural Residential Development, also known as large lot residential development: This includes lots outside the built up area of an urban or settlement centre, developed for permanent residential purposes, and where the occupiers are expected to earn a living primarily from non-farm income. Such lots may be serviced or unserviced with piped sewer and/or water, and, generally range in size from between 15,000 square feet (about a third of an acre, or 1394 square meters) to about 10 acres (4 hectares) in area each.

Smart Growth or Smart Growth Strategy: A planning concept that has been adopted by a number of jurisdictions across North America. Smart Growth tends to adopt some or all of the following policies:

- supporting and enhancing existing communities (rather than creating or allowing the evolution of new communities);
- preserving natural resources, natural areas and farm land;
- saving the taxpayers from the premature extension or unnecessary creation of new infrastructure to support sprawl;
- re-developing 'brownfields' before developing new 'greenfields'; and
- revising zoning and other regulations that impede re-development of older areas and older buildings, etc.
- 'live near work' or 'mixed use' neighbourhood strategies.

In the U.S. (Maryland for example), Smart Growth is implemented mainly through some form of State-funded incentives. Critics of 'smart growth' assert that it is merely a new name for good planning.

Subdivision Approving Authority: Two of the three planning districts (the Selkirk and Area Planning District and the South Interlake Planning District) in the Capital Region are subdivision approving authorities for all subdivision applications in their districts. The City of Winnipeg is also the approving authority for subdivisions in its jurisdiction. The Minister of Intergovernmental Affairs is the approving authority for subdivisions for the other seven municipalities in the Capital Region.

Urban Centre: An urban centre is close grouping of 25 or more residences, with a recognized place name, and some form of commercial services. This would include any incorporated city, town or village, unincorporated village district, and may include hamlets and other unincorporated centres.

Winnipeg Additional Zone: A belt of land outside and adjacent to the City of Winnipeg ranging in size from 8-11 km (5-7 miles) in width, established in 1961, in which the City of Winnipeg had land-use planning authority and building control. In 1991 it was abolished in its entirety.

Winnipeg Region Study: From 1971-75, the Winnipeg Region Study involved all or parts of 30 municipalities in the Winnipeg area. The study eventually led to the adoption of The Provincial Land Use Policies in 1980.

Zoning By-law: A by-law adopted by a municipality under *The Planning Act* or *The City of Winnipeg Charter.* Zoning by-laws provide detailed site and some building regulations, such as how far a building must be away from its lot lines, how tall a building can be, location and height of fences, the specific types of uses permitted in a specific zone. A zoning by-law must generally be in conformity with the development plan.

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Appendix Ten

Regional Planning Advisory Committee Members

Paul Thomas, Chair: Currently the Duff Roblin Professor of Government at the University of Manitoba, Paul Thomas has taught there since 1969. He holds a BA and MA from the University of Manitoba and a Ph.D. from the University of Toronto. Thomas is an author and his current research is in leadership in the public sector. He has been a consultant to both the federal and provincial governments and has been on several previous royal commissions and task forces, including the City of Winnipeg Act Review Committee in 1985-87.

R.S. "Bud" Oliver: Born and raised in Selkirk, Bud Oliver is the chair of the Red River Basin Commission. Elected to the Selkirk City Council in 1978, he completed his sixth consecutive term as Mayor in 2002. He was a member of the Selkirk and Area Planning District Board from 1979 until 2002, and served as its chair for 14 years. He is a past president of the Manitoba Association of Urban Municipalities.

Mayor Robert (Bob) Stefaniuk: Born and raised in Selkirk, Bob Stefaniuk has been mayor of the Rural Municipality of Ritchot since 1995. He served in the Royal Canadian Navy for three years. Stefaniuk has a BA in economics and history and a certificate from the Canadian Institute of Management. He serves on several other boards and committees.

Deputy Mayor Lillian Thomas: Currently Deputy Mayor of the City of Winnipeg, Lillian Thomas has been a Winnipeg city councillor for the Elmwood ward since 1989. Thomas has a BA in sociology from Lakehead University and an MA from the University of Manitoba. She has been a member of numerous boards and committees.

Nick Carter: Nick Carter served as Deputy Minister of Natural Resources with the Manitoba Government from 1979 to 1987. Prior to 1979, he also served as the Deputy Minister of Northern Affairs for the Manitoba Government and Deputy Minister of Environment for the Saskatchewan Government. Carter is past chair of the Manitoba Environment Council and also past chair of the Manitoba Hazardous Waste Management Corporation. He was most recently a member of the Manitoba Livestock Stewardship Panel.

Cathy Auld: Cathy Auld is currently the director of donor relations and corporate secretary for the Winnipeg Foundation. She holds a BA from the University of Winnipeg and a Master of City Planning degree from the University of Manitoba. She developed a Youth Philanthropy program for Winnipeg high school students and is the former program manager of the Winnipeg Core Area Initiative. She is also a member of several boards and community groups and has served as a member of the Manitoba Municipal Board.

Eleanor Thompson: Born and raised on a farm near Emerson, Manitoba, Eleanor Thompson is the founder/director of the Urban Circle Training Centre. She has also been a researcher with the Canadian Museum of Civilization and was the co-founder/director of the Maskwa Project - Rural Centre for Alternate Technologies. She has been a member of several boards and committees such as the Manitoba Law Foundation (Founding Vice-Chair) and is a founding executive board member of the Community Education Development Agency (CEDA), among others.